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Conference on Status of 'New State Entities' Held

MK0807100094 Moscow SEGODNYA in Russian 8 Jul 94 p 2

[Report by Karina Musayelyan under the "Self-Determination" rubric: "Unrecognized States Discuss Their Problems. Things Were Better Under the League of Nations"]

[Text] A conference of participants in the "Roundtable on the Recognition of the Status of New State Entities on CIS Territory" took place in Moscow yesterday. Representatives of "unrecognized states"—Abkhazia, Nagorno-Karabakh, the Republic of Crimea, the Dniester, of the Lezgin and Ossetian people's movements, the "Islamic Cultural Center," and Dagestan spoke about violation of the right to self-determination of some peoples. The conference delegates quoted from the statement of the First Assembly of the Congress of Spiritually Close (Eastern-Christian) Peoples: "The world has come up against a phenomenon of a double moral and legal approach to nationalities problems. International organizations did not resolutely censure the genocide of several peoples, did not take measures to cut it short and punish the organizers.... Practically forgotten are the successfully used—first by the League of Nations, and then by the United Nations—ideas of condominium, mandated territory, and so on."

Those gathered noted the need for differentiation between the autonomous republics which are components of Russia and which are components of the CIS, because "in Russia there is a federal system, and in the CIS there is a unitary system—whereas democratic principles call for a horizontally arranged structure of power." Many participants voiced disagreement with Gorbachev's proposition to the effect that strong republics and a strong center cannot simultaneously exist (the well-known cat and mouse analogy).

The participants assessed the proposal to move the capital of Kazakhstan to Akmola (former Tselinograd) as an attempt to control the Russian-populated North and predicted the appearance of new "hot spots" there.

The conference delegates formulated the three main questions: Do the autonomous and national entities want to become independent states? Do they have the right to demand it within the framework of international legislation? How to achieve it? Their proposals will be sent to the governments of Russia and of the CIS republics, and to the State Duma.

Estonian Assembly Asked to Ensure Rights of Others

LD0807194694 Moscow ITAR-TASS in English 1630 GMT 8 Jul 94

[By ITAR-TASS correspondent Svetlana Ivanova]

[Text] St. Petersburg July 8 TASS—An appeal to the Estonian State Assembly adopted at today's meeting of the Commonwealth Interparliamentary Assembly's Commission for Foreign Policy voiced concern over the position of non-Estonian residents of the Estonian Republic and expressed the hope the assembly will introduce changes in the current legislation to ensure rights of all Estonian residents.

There are some 400,000 ethnic Russian residents of the Estonian Republic. About 40,000 of them will never be naturalized under the Estonian laws.

This ban does not concern residents of the Pechora district of the Russian Pskov region claimed by the Baltic republic. Regardless of nationality, duration of residence in the district, the knowledge of the Estonian language and other requirements, it will take only two weeks for local residents to become Estonian citizens. Although Russia does not plan to give its Pskov lands to Estonia, the Baltic republic is actively campaigning for naturalization of Pskov residents.

New Miners' Trade Union Association President Elected

LD1007200594 Moscow ITAR-TASS in English 1929 GMT 10 Jul 94

[By ITAR-TASS correspondent Grigoriy Shalakin]

[Text] Kemerovo July 10 TASS—The second congress of the International Association of CIS Miners' Independent Trade Unions elected Aleksandr Sergeyev association president.

Sergeyev is also the president of the Russian Miners' Independent Trade Union.

ITAR-TASS Carries Press Review for 9 Jul

LD0907055294 Moscow ITAR-TASS in English 0534 GMT 9 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow, July 9 (TASS)—ROSSIYSKAYA GAZETA on the quality of foodstuffs consumed in Russia.

Russia up to now lacks an efficient mechanism that would protect the consumers from substandard foodstuffs, the newspaper emphasises.

"It still remains unclear how the victims of tainted food may claim damages and from whom. Hopes are set on a law, which is being prepared and which will provide for medical insurance of the population against the use of tainted food products".

NEZAVISIMAYA GAZETA on the Group-of-Seven Summit in Naples:

"Great hopes are being set on the Naples summit but can it happen that they will prove groundless? Sceptics, who

view annual G-7 summits as a waste of time, are convinced that G-7 summits only strengthen personel contacts but fail to resolve world economic problems. Politicians attend G-7 summits only because they exist or to show off in the company of the world's powerful".

ROSSIYSKIYE VESTI on rising crime:

"The number of grave and most dangerous crimes increased in Russia by almost 30 per cent in the first half of 1994 as compared with the corresponding period of last year".

ROSSIYSKIYE VESTI on this year's grain yield in Ukraine:

"The crop of cereals in Ukraine in 1994 will be the lowest in the past 20 years and, according to forecasts, will amount to not more than 34 million tonnes".

KRASNAYA ZVEZDA (RED STAR) on Turkey's military-diplomatic activity:

"It is highly significant that Turkey's military-diplomatic activity became particularly manifest after Russia launched a peacekeeping operation in the area of the Abkhazian conflict. Meanwhile, it is no secret that Turkish media and analysts express quite a negative attitude to these actions of Russia and are even inclined to view them as a threat to their country's security".

KRASNAYA ZVEZDA on Russia's defence budget:

"The curtailed defence budget, adopted by the federal assembly, is beginning to tell on financial support for the servicemen. Fifteen thousand commissioned and non-commissioned officers of the moscow garrison for the second month have been unable to receive money compensations for food rations.

"In a number of instances, the payment of travelling and holiday allowances has been suspended. One can imagine the scope of delays in payments in the army in view of the fact that from July 1 the pressure on the already meagre defence budget increased by 40 per cent".

SOVETSKAYA ROSSIYA carries an article by Sergey Glazyev, chairman of the State Duma committee on economic policy.

Glazyev writes as follows: "With the current economic policy carried on, the industrial, scientific and technological potential of the country's defence sector will be deeply eroded by the end of the year, the development of military science and technology will lose a large number of technical and technological research areas, and co-production contacts with CIS enterprises will be broken off.

"In practice, this means a sharp decline in the country's defence capacity, the loss of independence in the manufacture of main types of military hardware and an end to a larger part of promising development efforts and production processes already this year".

In SOVETSKAYA ROSSIYA, there is an article by State Duma deputy Vasily Starodubtsev, who points out as follows: "Grain-growers and other food producers, who know neither sleep nor rest have been humiliated to the utmost and heaped curses upon by 'democratic' media.

"At times one can only wonder at the endless patience of Russian peasantry. It is precisely peasants who still keep the agrarian economy from collapse. But for how long? 'Reforms' in the agrarian sector pull down everything like bulldozer."

"PRAVDA" carries an interview with State Duma deputy Anatoliy Lukyanov who stated: "A delay in the elaboration of mechanisms to bring CIS countries closer together and promote cooperation among all ex-Soviet republics is being produced primarily from the leadership of Russia. And this delay is quite deliberate and purposeful".

Reportage on Yeltsin Participation in G-7 Summit

Yeltsin Cites Aims

LD0907115794 Moscow ITAR-TASS in English 1138 GMT 9 Jul 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow July 9 TASS—"My main task in Naples will be to remove all discriminatory measures, which existed and continue to exist with regard to the former communist Russia," President Yeltsin said today at the Vnukovo-2 airport before leaving for Naples, where he will take part in the G7 meeting.

He said in this connection that it was going to be his third meeting with G7 leaders. The difference is that previously, in Munich and Tokyo, he was more like the one asking for help. "Now this time is over. I shall insist on equal partnership and cooperation," the president stressed.

The Russian leader said: "We are ready to take part in the settlement of various political and world conflicts and to resolve problems of nuclear security. In this respect Russia is quite ready to join the political group of 'The Eight'".

Speaks to Reporters on Arrival

LD0907154794 Moscow ITAR-TASS World Service in Russian 1453 GMT 9 Jul 94

[By ITAR-TASS special correspondents Aleksey Bukalov, Aleksey Golyayev, Pavel Mikhailev, and Yuriy Sizov]

[Text] Naples, 9 Jul—"We have gotten over the syndrome of asking for help, and here in Naples I will insist and request that the G-7 leaders also cast aside their syndrome of distrust toward Russia that still remains from the Cold War," President Boris Yeltsin told journalists upon his arrival here today to meet the G-7 leaders.

The Russian leader elaborated, saying that it is a question first and foremost of "a discrimination syndrome in the sphere of trade, access to markets, and so forth." In addition, he said, Russia should have the right to join various major international organizations. "I will specifically insist on this in Naples."

"At the same time, I am not going to force an open door," Yeltsin stressed, referring to the transformation of The Seven into The Eight. "The thing is that our economy is not fully coordinated with the economies of the world's industrially developed countries at the moment, and so we will not hurry them but will wait for events to develop naturally," the Russian Federation president said. "When that happens and our common parameters meet, not only in the political but also in the economic sphere, then it will be a natural process that will lead to the creation of The Eight."

Asked whether he expected any sensations from the Naples meeting, Yeltsin said he did not. The president explained that Russia's relations with the industrially developed countries had passed the infant stage. "We now have mature and entirely equal relations. So we do not need surprises, and I am not expecting any," he said.

Yeltsin-Murayama Meeting Cancelled

LD0907155894 Moscow ITAR-TASS in English 1516 GMT 9 Jul 94

[By ITAR-TASS correspondent Andrey Varlamov]

[Text] Tokyo July 9 TASS—A meeting in Naples between Russian President Boris Yeltsin and Japanese Prime Minister Tomiichi Murayama, earlier scheduled for Saturday, has been cancelled, an official of the Japanese Foreign Ministry's Russian Department told ITAR-TASS.

Yeltsin and Murayama arrived in Naples for a summit meeting of Group-of-Seven highly industrialized nations.

The Japanese premier cancelled all appointments fixed for today after he was rushed to hospital from the opening banquet on Friday night with acute gastroenteritis and missed Saturday's entire proceedings.

Murayama's place at the morning talks was taken by Deputy Prime Minister Yohei Kono. The Japanese governmental delegation to the summit is to decide until Saturday night whether the prime minister will participate in the proceedings on Sunday.

Further on Departure Remarks

LD0907182294 Moscow Russian Television Network in Russian 1530 GMT 9 Jul 94

[Text] Today, before flying out for a meeting with the G-7 leaders, Yeltsin told journalists what exactly he expects to achieve in Naples. In the Russian president's view, the new meeting differs in principle from those held previously.

[Begin Yeltsin recording] Of course, the situation there will be different. Previously, both in Munich and in Tokyo, I was acting more in the role of a supplicant. Now that has finished. I will be insisting on equal partnership and cooperation with the G-7, the most developed states in the world. This will be the principle difference.

Of course, economically we have not yet achieved a full stabilization of our finances and the economy. As for the political aspect, yes, we are quite ready. We are already taking part in the political sphere in the settlement of international conflicts and other world issues. We have been consulting each other, and we—together with the G-7 leaders—are trying to tackle other issues, including nuclear security and so on. In this respect, Russia and its leader have matured fully. That is why the political Eight will come into existence.

The first day will be about economic issues and the second about politics. That is why it looks like half of the road has been covered. In actual fact, the chess game has been played, and only a few pieces, a few moves, remain to be made. These moves will made in the next one to two years.

An agreement has been signed with the European Union by which we have been recognized as a country going through the transitional period. That means discriminatory measures are being removed against us. We now have to achieve the same from the G-7 countries so that the discriminatory measures that still exist with respect to Russia—the former communist and socialist Russia—are lifted. This is what, most likely, my main task will be in Naples. [end recording]

Yeltsin on Need for 'Natural Process'

LD1007060794 Moscow Russian Television Network in Russian 0400 GMT 10 Jul 94

[Statement by President Boris Yeltsin at Capodichino airport in Naples upon arrival at G7 summit; from the "Vesti" newscast]

[Text] We are not going to rush things. We will wait for a natural development of events. When this happens, I mean, when our common parameters come together, so to speak, not only in the political but also in the economic sphere, this will be a natural process, and this will naturally become a group of eight. I am certainly not going to force an open door.

Further Comments on Arrival

LD0907212194 Moscow ITAR-TASS World Service in Russian 1939 GMT 9 Jul 94

[By ITAR-TASS special correspondent]

[Text] Naples, 9 Jul—"I know what I will bring back to the people of Russia from the Naples summit, and I know what will remain on the political agenda for the near future," Russian Federation president Boris Yeltsin told Russian journalists today upon his arrival in Naples. The reality of this summit, according to the Russian leader, is that it is held "in the format of the political 'Group of Eight'. This reflects the recognition of the push Russia has made in just three years. We have returned to the international community, to the world political process."

Yeltsin also said that tomorrow he would discuss with the leaders of the world's seven leading industrialized countries "the most sensitive and important issues of international politics—Bosnia and Korea, conflicts in Africa and Central America, the fight against terrorism, the role of the United Nations and the CSCE, and human rights, including human rights in the Baltic countries."

On the political agenda for the near future, Yeltsin said in conclusion, is "full membership in 'the Group of Eight', including its economic component."

Holds Talks With Berlusconi

LD0907192994 Moscow ITAR-TASS in English 1925 GMT 9 Jul 94

[By ITAR-TASS special correspondents]

[Text] Naples July 9 TASS—Russian President Boris Yeltsin met here on Saturday with chairman of the Italian Council of Ministers Silvio Berlusconi.

Yeltsin and Berlusconi discussed some issues of bilateral relations. They noted that Russia and Italy has good prospects for further fruitful contacts.

The two leaders also exchanged views on the key topics of the political discussion to be held on Sunday within the G-7 summit, or "G-7 plus one" meeting.

The Russian president invited the Italian prime minister to pay an official visit to Russia.

Yeltsin Departs Naples for Moscow

LD1007155894 Moscow ITAR-TASS World Service in Russian 1545 GMT 10 Jul 94

[By ITAR-TASS special correspondent]

[Text] Naples, 10 Jul—Russian President Boris Yeltsin left Naples for Moscow today. The Russian head of state had for the first time taken part in the political discussion at the summit meeting of the leaders of the world's major industrialized countries as an equal partner.

Comments on G-7, Troop Withdrawal, Bosnia

LD1007164094 Moscow ITAR-TASS in English 1623 GMT 10 Jul 94

[Text] Naples July 10 TASS - "The Russian bear will not force an open door. Neither will we force our full admission to a G-8 as we do not deserve it yet," Russian President Boris Yeltsin said.

Speaking at a joint briefing with U.S. President Bill Clinton after their talks in Naples on Sunday, Yeltsin said that "when our economic system is coordinated with the systems of the developed countries, then Russia will naturally become a full member of the club."

"Russia did not ask money at this summit. But we want Russia to trade with all others on equal terms. We do not request any privileges for ourselves," he said.

Yeltsin regretted that the rules hampering Russian hi-tech exports remain in place in the United States. He said Clinton pledged to abolish them during his visit to the U.S. scheduled for September 27-28, 1994.

The Russian president confirmed that Russia will withdraw its troops from Latvia by August 31 as agreed.

However, he made it clear that the question of troop pullout from Estonia remains open.

The situation in Estonia is more complicated than in Latvia because there is discrimination against ethnic Russians, primarily the military retirees, Yeltsin explained. He said he plans to meet with the Estonian president soon to discuss the problem.

Asked about the Bosnian settlement, Yeltsin replied that Russia will insist that all sides involved in the Bosnian conflict observe the new peace plan proposed by the contact group.

Further Comments on Naples Meeting

LD1007164394 Moscow Radio Rossii Network in Russian 1500 GMT 10 Jul 94

[Text] We have just received a voice report from Naples. Over to our special correspondent Andrey Veduta.

[Veduta] On the last day of the meeting, global problems of world politics were discussed: The situation in Bosnia, North Korea, South Africa, in the Near East, Haiti, and in Algeria, questions of the participation by UN forces in peacekeeping operations, problems of combatting international terrorism, and many others. All this was reflected in the statement on political issues. But the first thing that the statement says is the fact that our country's participation in the Naples meeting as an equal partner is a reflection of the reforms that are taking place in Russia. The G-7 leaders express the hope that soon Russia will also be able to take part as an equal partner in the discussion of economic problems.

This was said by Boris Yeltsin after his meeting with the U.S. President at the joint Russian-U.S. news conference.

[Begin Yeltsin recording] I will say that this meeting differs very seriously from both the Munich and Tokyo ones. Russia has virtually been accepted into the world community. It has been recognized as a democratic state. This is the most important thing for us. [end recording]

[Veduta] Having noted that he had already received an invitation to the next meeting in Halifax from Canada's prime minister, President Yeltsin said, in particular: [Begin Yeltsin recording] I received an invitation today from Canada's prime minister and he said that from the viewpoint of the Eight this will be a more official and more solid meeting. [end recording]

Joins G-7 in Call for Haitian Surrender

LD1007172794 Moscow ITAR-TASS in English 1717 GMT 10 Jul 94

[Text] Naples July 10 TASS - The Group of Seven major industrial countries and Russia called on the international community to put pressure on Haiti's military rulers to surrender power.

The G-7 leaders and Russian President Boris Yeltsin urged the Haitian military leaders to comply with the U.N. resolutions calling for the restoration of the legitimately elected government and President Jean-Bertrand Aristide who was removed from power in a military coup in September 1991.

Calls Summit 'Major Step' Toward Peace

LD1007190294 Moscow Russian Television Network in Russian 1654 GMT 10 Jul 94

[Remarks by President Boris Yeltsin at joint news conference with U.S. President Bill Clinton in Naples on 10 July—recorded]

[Excerpts] Immediately after a bilateral meeting, Boris Yeltsin and Bill Clinton made a statement for the media. [passage omitted]

[Yeltsin] Thank you, President Bill Clinton for the kind words about Russia and its president. Naturally, I am satisfied with the summit and the political G-8, which emerged today. I think that this is, of course, only a beginning but, as I have said, the Russian bear will not force his way into an open door and we will not force a full G-8 until we deserve it. When our economic system and economic situation come into line, so to speak, with the systems of G-7 countries, then, naturally, Russia will become a full and equal member of the G-8. Nevertheless, I am grateful to the chairman, Mr. Berlusconi, the Italian prime minister, and all G-7 heads of state for the attention shown to Russia, including in yesterday's statement by the chairman and today's statement on political issues. Today we discussed together international political problems in different parts of the world and found mutual understanding, something that shows that we can find this mutual understanding and really contribute to the strengthening of peace in the world.

I believe that this meeting, both yesterday and today, is yet another major step to ensure European security, a more stable economic situation and peace and friendship in the world, something we should promote in every possible way. This meeting is also one major step toward complete security on earth. An extension of this meeting, I would say, was the bilateral meeting I had with United States President Bill Clinton. Our meetings always pass off very dynamically and interestingly and we expressed satisfaction at how our relations, our partnership, our friendship, and our cooperation have been developing.

At the same time of course, we, as sincere people, both of us could also not fail to broach questions which, for the time being, unfortunately, have not been addressed, that for the time being have not been resolved by us. These include questions of a certain discrimination against Russia in matters of trade. This time Russia did not ask for money at the eight. It was saying—I was saying: All of you together please take the kind of decisions at home in your countries, including in the United States of America, which enable Russia to trade on equal terms with absolutely everyone. We are not asking for any

preferential terms. We are not asking for any special circumstances for ourselves. No! We are saying, give us equal rights. Stop at long last picturing the Russian president with a red jacket, which for a long time now—approximately three years—I have not been wearing. [pauses] Is that clear? [laughter] (This was intended for) Yelena Tommits [name as heard]. [laughter]

[Unidentified correspondent] Then replies were given to journalists' questions.

Yelstin 'Heartened' by Summit Results

LD1007192794 Moscow NTV in Russian 1700 GMT 10 Jul 94

[Video report by correspondent Petr Orlov in Naples, including recorded comments by Russian President Boris Yeltsin]

[Excerpts] [Announcer Yevgeniy Kiselev] We have now received a report from our special correspondent in Naples, Viktor Orlov, on the results of the G-7 meeting.

[Orlov] [Passage omitted] Yeltsin himself was quite heartened by the results of the meeting.

[Yeltsin] The attitude of the people and of the heads of state was primarily an attitude to a great Russia, where people have endured so much and done so much by now.

[Orlov] While Boris Yeltsin was sitting at the negotiating table in the royal palace, Dmitriy Ryurikov told the press that Russia would not make any radical statements—even though it looks as though Yeltsin had planned to suggest setting up an anticrisis group on the basis of the Eight. But even on the eve of the summit one could easily see that the G-7 leaders do not like sharp movements. Therefore, Russia just participated in the discussion, moreover, according to Yeltsin, on all subjects. Later one of the members of the delegation confirmed that it secured G-7's support in the main thing—in lifting discriminatory restrictions on the part of Japan and the United States.

[Yeltsin] How long can one talk about the Jackson-Vanik Amendment? How long can one talk about COCOM restrictions?

[Orlov] It has been decided that the new lists of strategic goods, i.e. COCOM, will now be agreed with Russia. Another issue brought up was how much Russia owes and how much it is owed.

[Yeltsin] If only these discriminatory measures are lifted, it will mean that the people of Russia will be getting an additional 3 billion dollars a years. This is serious money.

[Orlov] So having become a member of G-7's political program has not violated its traditions and style of contacts. On the other hand, it has clearly been a new step following the signing of documents in the island of Corfu. Even Boris Yeltsin's buoyant manner was duly appreciated:

[Yeltsin] I told them: Look, take this red jacket off me, I have not been wearing it for quite some time, at least not since 1991! Why on earth do you always picture me in a red jacket?

[Orlov] But still he is not yet ready to don the [word indistinct] jacket of the leader of one of the world's richest countries. Russia has been invited to the next meeting in Canada, where, according to Boris Yeltsin, the political Group of Eight will take shape definitively. As for the economic side, we will probably have to wait until Russia's own new interests take shape so that it can participate in the club's discussion as a full member. But it looks as though Boris Yeltsin succeeded in persuading its leaders of the stability of the present-day Russia.

Yeltsin Views Summit Results

LD1007204294 Moscow Ostankino Television First Channel Network in Russian 1845 GMT 10 Jul 94

[Interview with President Boris Yeltsin by Ostankino correspondent Valentin Zorin, Russian Television correspondent Sergey Iyezuitov, and NTV correspondent Petr Orlov in Naples following G-7 summit session on 10 July—recorded]

[Text] [Video shows a room full of correspondents. Among them is political observer Valentin Zorin, flanked by correspondents Sergey Iyezuitov, and Petr Orlov. The three face Yeltsin, seated in an office]

[Zorin] Boris Nikolayevich, above all we want to thank you—we know how packed your agenda has been here—that you have managed to pick a few minutes to have a chat with our television correspondents. That must have been difficult for you, of course. Thank you. I would like to introduce to you my colleagues: Russian Television correspondent Sergey Iyezuitov; NTV correspondent Petr Orlov. For my own part, I represent the Ostankino Television Company.

[Iyezuitov] How do you assess the results of the Naples summit and what do you think has been the main issue here?

[Yeltsin] You know, while at the Munich and Tokyo meetings, where my main task was to ask for aid, here the situation has been completely different. The first thing I wanted to achieve was recognition for the fact that Russia has become part of the world community, on equal terms along with other major states of the world. That has been done today. Now we really have a fully-fledged group of eight equal states. We had a debate in which I, along with the others, took an active part. That is the first distinctive feature of this meeting. The second distinctive feature is that while at the Tokyo and Munich meeting there was very strong doubts about the political situation in Russia, this time the heads of states have not

had that worry. That is very important for me. It is also important for me because I can now have the opportunity to say to private entrepreneurs that the political situation is alright for them to invest part of their capital in Russia, and that we would protect them in any emergency. Though I do not expect that there would be any need for that in the first place. That is one of the main features distinguishing the Naples summit.

Third, I want to mention plain human interest both in Russia and in its president. Furthermore, they believe that what Russia has achieved in the recent past, from the point of view of reform, and even the first results of reform, is an incredible endeavor. Indeed, monthly inflation in June was five percent, while last year it was 26 [as heard] percent. Furthermore, since the start of the year it has always been below eight percent. Generally, this is of course a very serious achievement. Along with the shrinking budget deficit living standards have also been rising. That is what is interesting. Take a maximum and a minimum wage, the difference between them has been reduced by 150 percent. That speaks volumes, of course. In other words, these are convincing facts. I mentioned many of those in my political speech at the meeting. Then they gave Russia the floor to speak first on both politics and the economy. In other words, they did not separate Russia from the G-8 but let her take part in both the political and economic discussion within the framework of the G-8.

This is a big difference too, of course. I should also say that the next summit, which will be in Canada—the Canadian prime minister has invited me to it, and said it would be even grander, and that Russia would take part in it in a more official capacity, as a representative of what will be a G-8. Although I did say that it is not my aim to play the Russian bear and force our way through an open door. On the political level, we will indeed take part, so to speak, in resolving international conflicts and so on and so forth, we will be consulting one another, it is natural here that Russia should become a member of a G-8.

On the economic level though, we are for the moment lagging behind somewhat. Our economic situation, so to speak, needs to be coordinated with their economic situation and so forth, and then Russia will naturally be a fully-fledged member of a G-8. If someone in Russia is dreaming that Yeltsin will come back from Naples as a fully-fledged member of a G-8, well, that is just not the way things happen. The relevant conditions must exist. For the moment we cannot fulfill the economic conditions.

[Zorin] Boris Nikolayevich, some people are taking advantage of the economic difficulties in our country you have mentioned, in order to say that it is too early for Russia to join the club. Is something backfiring here? Are not the references by some circles to our economic difficulties actually attempts to find a pretext, fears about great Russia having an independent role, are they not attempts to use these difficulties to impede our participation and our influence upon world policy?

[Yeltsin] In the first place, today's final statement by the G-8 contains a special section entitled "Russia", which says: We fully share and support the global economic issues raised by Russia's President Yeltsin. So this is no small step, no small measure of support, and beyond that we will move forward.

[Orlov] Boris Nikolayevich, as we correspondents understand it, those points that you raised are directed toward our internal life, toward what is in this for the people of Russia. The questions you raised were connected with the state of our economy, with access to outside markets for our goods. Could you say more about this, please.

[Yeltsin] Naturally I raised questions concerning what might be termed certain instances of discrimination against Russia in matters of trade—free trade and so forth. You know that an economic agreement between Russia and the European Union was signed on the island of Corfu that removed discrimination. But such discrimination was not removed by the United States, nor by Japan, or other countries outside Europe. So it is logical that these issues should have featured in the conversation and the meeting I had today with Bill Clinton. Naturally I actually became quite indignant. How long can one talk about the Jackson-Vanik amendment? How long can one talk about COCOM [Coordinating Committee for Multilateral Export Controls] restrictions? How long can one go on talking about the fact that we are not being admitted to GATT or to the World Trade Organization [WTO]? And so on. But it has to be said that there is some movement on this. The President of the United States stated clearly and precisely today that the COCOM lists will in future—or rather the post-COCOM lists, because there is to be a new organization—be agreed in conjunction with specialists from Russia. There, this is something that has not happened before. In other words, everyone will discuss these lists on equal terms, and we will not be discriminated against in these matters. So that is the first point.

As regards GATT, the president said directly at G-8 that Russia should be admitted to GATT. As regards WTO, that is the World Trade Organization, we believe that we are not yet quite ready. Although we have taken great steps over the last period, so to speak, it seems nevertheless that we need a year or so more to be able to seriously aspire to WTO membership, and that was what I said frankly. In other words, you see, if only these discriminatory measures are lifted, it will mean that the people of Russia will be getting an additional $3 billion a year. This is serious money, very serious. The credits that they give us are practically smaller than the indirect gain we will get from this, from our export of goods, which we have plenty of after the conversion of the defense industry.

[Orlov] Permit me, colleagues, I think that it is a very important issue for Russia, that of debts and our participation in debt obligations.

[Yeltsin] I spoke about this today, and this question was discussed. There are two interesting figures: As a successor to the former union, the Soviet Union, we took upon ourselves an $80 billion debt. But at the same time, others, including CIS countries, owe us $150 billion today. So who is the creditor after all? But the Paris Club is a club of creditors! I insisted, therefore, that we should become a member of the Paris Club—well, maybe as an observer for the first six months or year.

[Iyezuitov] Boris Nikolayevich, what could you say about the bilateral meetings you had in Naples, specifically about your meeting with Clinton?

[Yeltsin] Well, that was the longest meeting, although our meetings with Bill Clinton are always very dynamic, so to speak, the issues are always very specific, always very specific, for instance, say, the Baltics, human rights, and the withdrawal of our troops from there. We discussed this issue, we discussed Bosnia and other international problems, we discussed our bilateral relations, including the issue that in the Congress there are dozens and dozens of restrictive laws because we are a communist country.

I said to them: If you remove from me this red jacket, you will see that I am a democratic president who is against any sort of discrimination connected with communist regimes. Then we discussed a number of other issues. There were a lot of issues we discussed—about 35 questions in all.

[Orlov] Did you discuss among those 35 questions the issue of how the change in the situation in Pyongyang might affect the Korean issue.

[Yeltsin] Of course, the G-8 discussed the issue. Naturally, it was discussed. I would not want to discuss everything openly because, on the whole, this was quite a classified document at the G-8. Nobody attended but ourselves and Sherpas. That was all. Nobody else took part.

On the whole, it says straightforwardly that—in connection with Kim Il-song's demise—the situation is changing and, on the whole, there should be a striving for South and North Korea to unite, eventually, and so on. I expressed my ideas and described our possibilities: that we could replace fuel elements at North Korean nuclear installations with light water ones that, on the whole, are not dangerous from the point of view of armaments and so on. We could do it technically. With regard to the spares connected with armaments, I said that we had now stopped the delivery of spares, and naturally we would not resume it.

[Iyezuitov] Briefly, as you have run out of time, are you satisfied?

[Yeltsin] Yes, I am satisfied. I felt comfortable. It has been a little hot but I have felt comfortable because of the attitude of people and of the heads of states to Russia, the powerful Russia where people have endured so much and have now achieved so much. Now nobody doubts that there will be no backtracking and that we will be firmly and confidently moving forward. Of course, I neither have any doubts about it. Therefore I am certainly satisfied.

[Iyezuitov] We cannot keep you any longer. Very many thanks for the conversation.

[Yeltsin] Thank you.

Comments on Russian Troop Withdrawal

LD1107042194 Moscow Radio Rossii Network in Russian 0100 GMT 11 Jul 94

[Text] Russian troops will be withdrawn from the territory of Latvia before the end of August. This was reported by Boris Yeltsin at the news conference in Naples. At the same time, the Russian president gave it to be understood that the issue of the withdrawal of Russian troops from Estonia is still an open one. In that country the situation is more complicated, because there is discrimination with regard to the Russian-speaking population, and most of all with regard to Russian pensioners, said Yeltsin. He reported that he intends to meet the president of Estonia soon to discuss the entire range of problems with him.

G-7 Final Communique Expresses Support for Reforms

LD0907184094 Moscow ITAR-TASS in English 1747 GMT 9 Jul 94

[By ITAR-TASS special correspondents Alexey Bukalov, Alexey Golyayev, Pavel Mikhalyov, and Yuri Sizov]

[Text] Naples July 9 TASS—The Group-of-Seven highly industrialized nations commits itself to back reforms in Russia, participants in the G-7 Naples summit said in a final communique read out by Silvio Berlusconi, chairman of the Italian Council of Ministers, upon the completion of today's economic discussion at the summit.

Thus, the line has been drawn under the first part of the G-7 meeting. On Sunday, leaders of the G-7 countries will go ahead with political discussion, which is to be attended by Russian President Boris Yeltsin, who arrived in Naples on Saturday afternoon.

A special section in the communique is assigned to Russia. The G-7 leaders pointed to the historical significance of Russian reforms and praised Russia's leadership for its commitment to the course of political and economic changes.

"We recognize the historical dimension of the reform process in Russia. We are encouraged by the commitment to reform, both political and economic, of the Russian leadership and by the progress made so far", they noted.

"We deem it necessary that Russia cooperate with international financial organizations to stabilize its economy and step up the process of reforms", the document said.

Answering questions from TASS during a news conference on the economic communique, Berlusconi said the G-7 called upon Moscow to improve Russian legislation in order to attract private investments to its economy and to step up foreign trade. The Italian prime minister attached much importance to Russia's entering the world market.

He recalled that the G-7 nations pledged to work with Russia towards the membership of the GATT world trade body in order to advance Moscow's integration into the world economy. Membership of the General Agreement on Tariffs and Trade would "further improve access to our markets for Russian products", the G-7 said in the economic communique.

The participants in the Naples summit accepted an invitation from Canada to hold the next meeting, scheduled for 1995, in Halifax.

Kozyrev on Russia's Role in G '7-8'

LD0907195394 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 9 Jul 94

[From the "Novosti" newscast]

[Text] [Correspondent Dmitriy Voskoboynikov] The G-7 leaders today [9 July] discussed issues relating to economic interaction on the world arena. Tomorrow will be a day of political discussions, when they will be joined by the Russian president. One should point out that this is the first time in recent years that our country has been invited on equal terms to sample the main course instead of just the dessert and the, in many respects, purely formal talks as has previously been the case.

Today, many people regard our country's participation in the political part of the Naples summit as a matter of course. Furthermore, some prominent Western economists are advising their leaders to discuss including Russia fully in the forum's economic program as an associate member. In other words, they suggest that it should not be left without the first course: Though I may point out that in the United States alone there are still about 260 discrediting restrictions in respect of our country. What is interesting, too, is that Russian politicians take an extremely calm view of membership of the economic club, and even stress that they will be extremely fussy when choosing the menu. This is evident from what Boris Yeltsin said before his departure, and from the considerations of another Russian politician, whom I have had occasion to meet several times this week.

[Begin recording] [Voskoboynikov] Just how realistic is it that Russia will, in the near future, start taking part in the economic discussions of the Seven?

[Kozyrev] Well, I reckon life itself will decide that. The same applies to the political eight. I, for instance, am still not sure that we absolutely have to take part in all economic issues. In a number of cases we could find ourselves compelled to assume certain obligations on topics that are not at all close to us: We have other priorities for the moment, given the state of our economy.

[Voskoboynikov] Andrey Vladimirovich, some people are saying that in Naples we will see the birth of an octopus, others that it will only have seven and a half tentacles. What is your view?

[Kozyrev] Well, I think it would be more accurate to speak of a 7-8, hyphenated! Because there will be one day of work as a seven, and the second day as an eight; the seven will be working on economic issues, and work on the political issues will be done by the eight. There probably is no analogy in the animal world, or one could have a dragon, which fell asleep one day with seven heads, and wakes up the next morning with eight. Something of that order will evidently happen! [end recording]

Yeltsin Aide in Naples Comments on Summit, DPRK

LD1007105994 Moscow ITAR-TASS World Service in Russian 1008 GMT 10 Jul 94

[By ITAR-TASS special correspondent]

[Text] Naples, 10 Jul—Dmitriy Ryurikov, an aide to the Russian president, called Russia's fully-fledged membership in the G-7 the task of the present century. He was speaking at the international press center of the Naples summit, which ends today. Ryurikov added that the leadership of Russia "believes that the country's economy will develop in a way that will allow it to become a full-fledged member of the 'club' of industrially developed world states."

In reply to a question on the prospects for the development of Russian-Italian relations, the president's aide said that both countries "can and should cooperative more actively along all lines." Having reminded his audience of the meeting which took place yesterday between Boris Yeltsin and Italian Prime Minister Silvio Berlusconi, he stressed that both leaders agreed that the development of fruitful relations between Russia and Italy had great reserves.

Speaking on the situation in the DPRK in connection with the death of Kim Il-song, he expressed the hope that

it would not lead to internal destabilization. "According to the information that is reaching me, the situation in the DPRK is calm." Ryurikov pointed out that the death of the president of the DPRK might lead to a postponement of the talks between North Korea and the United States. At the same time, he hoped that the talks would take place nevertheless.

In reply to a request from the ITAR-TASS correspondent to comment on reports by some foreign agencies that the leader of Russia's foreign policy department had suggested that the "Eight" should be given the functions of the UN Security Council, Ryurikov categorically denied this report. "I don't think that any foreign minister could make such a statement," he said.

Russia's Participation, Position in G-7 Viewed

LD1007090794 Moscow Mayak Radio Network in Russian 0510 GMT 10 Jul 94

[Excerpts] [Correspondent Viktor Levin] Good morning. Russian President Boris Yeltsin has a lot of things to do today. [passage omitted]

By joining the club of the world's seven leading industrial countries—and one can talk of this as of virtually fait accompli—Russia has come across the cold war syndrome on the part of some of these countries. The impression is that for some, I would not mention names, cooperation with Russia looks as almost charity. However, I am speaking generally, Russia needs the G-7 as much as the G-7 needs Russia. Today's Russia that is going through a painful transition and particularly tomorrow's Russia. [passage omitted]

Russia does not want any special rights for itself, but it will not tolerate—let me remind you that Boris Yeltsin said this quite clearly on his arrival in Naples yesterday—the limitation of its interests.

What specifically do I mean here? An attempt to force Russia out of the market of high technologies, moreover, an attempt to do this not in an honest competition that, in spite of all its toughness, implies that the best wins, but by noneconomic methods similar to political dictate.

On the whole, the emerging situation is not simple. On the one hand, the G-7 shows an understanding of Russia's problems, expresses readiness to assist us in joining international trade organizations and voices an understanding of our interests at the International Monetary Fund. There is hardly any doubt that the G-7 would like to see stability in Russia and all the CIS countries, realizing what instability is fraught with.

On the other hand, it cannot—and it seems it does not want to—resist the temptation of pushing us aside where big profits are at stake. [passage omitted]

For example, our equipment for nuclear power stations is not as bad as it is sometimes presented in the West. Yes, the Chernobyl tragedy had a very dispirited impression on everyone. Nuclear power stations in the West have never had anything like that, but this does not mean our nuclear power engineering is at the Chernobyl level.

At the same time, when they now are talking about granting certain funds to Ukraine—accidentally, the funds are only a third of what is needed, they are talking of $200 million while at least 600 [million dollars] are needed as compensation for closing down the Chernobyl nuclear power station. They are talking about building three more nuclear power stations in Ukraine, and at the same time, it is suggested that we should stand aside. Naturally, Russia cannot and must not agree to this under no circumstances.

In thus defending one's own interests resolutely and firmly, I can see one of the most important signs of the new quality of Russia's participation in the work of the G-7. It is quite possible that those whom we would not allow to tread on our interests would take offense and hamper the G-7 turning into a G-8. I cannot see a tragedy here since for Russia participating in the club of the leading industrial countries is not an end, but a means for a more successful implementation of reforms and equal participation in the world economy. Russia does not have to ask for this right; it belongs to it by definition, as they say. Viktor Levin, Naples.

G-7 Failure To Invite Yeltsin to Economy Sessions 'Strange'

PM0807155094 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jul 94 First Edition p 6

[Commentary by RIA-NOVOSTI special correspondent Vladimir Simonov: "Naples: The 'Big Seven's' Big Worries"]

[Excerpt] Naples—[passage omitted] It is a striking fact that whereas the EU [European Union] has recognized our economy as transitional and lifted virtually all trade restrictions, in, say, the United States that Cold War dinosaur the Jackson-Vanik amendment is still alive and kicking, and the U.S. Congress annually renews Russia's most-favored-nation status as if the emigration situation was still not as it should be. In fact it is the United States and other G-7 members that have closed all the immigration gates today, fearing a flood of East European—including Russian—emigres.

It is well known that the G-7 will also discuss the course of implementation of the Tokyo package of measures to assist Russia, valued, if memory serves, at $43.4 billion. But that memory comes with difficulty. Statistics published in Naples show that the promises were either not fulfilled, or hedged about with all kinds of conditions and reservations.

Aid to Ukraine is also on the Naples agenda. The impoverishment of a country that has nuclear missiles up its sleeve looks to the West like a serious risk. Kiev will probably be offered $1.5 billion to modernize its energy system, but on one condition: The Chernobyl reactor must be shut down now and forever.

It is strange that Russian economic matters will be discussed by the G-7 leaders in the absence of Boris Yeltsin. He has not been invited to the Friday and Saturday sessions, which are devoted to the economy. Yet the president could remind them of important things. For instance, that the most important thing for Russia is forms of support that do not require additional foreign finance and do not increase our debt—which is already astronomical—and widen our links with the IMF and the International Bank for Reconstruction and Development. It is a question of access to international markets, the revision of schedules for the repayment of debts, and direct investments.

Ultimately Russia will, of course, make the transition from economic cooperation with G-7 according to the "7 plus 1" formula, to the full "G-8." That is the future in which our children and grandchildren will live. But the first outlines of that future are being sketched out in Naples today. Let no mistakes be made.

Yeltsin Issues Condolences on Kim Il-song Death

LD0907094094 Moscow ITAR-TASS in English 0910 GMT 9 Jul 94

[Text] Moscow July 9 TASS—Russian President Boris Yeltsin issued a statement on Saturday expressing "deepfelt condolences" on the death of North Korean leader Kim Il-song.

"I express hope that appropriate efforts will be made soon to ease tension on the Korean Peninsula, resolve the North Korean nuclear problem which worries the world community, and improve relations between North and South Korea, and that the first steps will be made to realise the Korean people's aspirations for a peaceful democratic reunification," the statement said.

Further on Yeltsin Condolences

LD0907120394 Moscow ITAR-TASS in English 1142 GMT 9 Jul 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow July 9 TASS—"I hope that the current situation that has developed in North Korea in view of the death of its leader Kim Il-song will not lead to instability in that country but, on the contrary, will bring South and North Korea closer together," Russian President Boris Yeltsin stated at Vnukovo-2 airport on Saturday before departure for Naples.

Yeltsin pointed out that he was personally acquainted with Kim Il-song. The Russian president expressed regret over his passing.

Touching upon the future of the Korean Peninsula, Yeltsin said "I hope that the two Koreas will get closer together, which will ultimately lead to peace throughout the Asia-Pacific region".

Kozyrev Has 'Confidence' in Continued DPRK Relations

LD1107110194 Moscow ITAR-TASS World Service in Russian 1021 GMT 11 Jul 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 11 Jul (ITAR-TASS)—Russian Foreign Minister Andrey Kozyrev expressed confidence today that Russia and the DPRK will continue to have "a smooth and balanced relationship" and that they will develop it. Asked at a meeting with journalists how the death of Kim Il-song might change the situation on the Korean peninsula and bilateral relations between Moscow and Pyongyang, he recalled that Russian President Boris Yeltsin, "has expressed condolences and the wish that the continuity of political dialogue should be preserved." "At present we do not have any alarming signals," the Russian minister said. "It is absolutely clear that our neighbors, the DPRK, need a certain amount of time, and we are hoping for the continuation and development of the same smooth and balanced relationship which we had before and which, I am confident, we will continue to have with that country."

Diplomat Predicts No Worsening of DPRK Relations

LD0907132194 Moscow ITAR-TASS World Service in Russian 1150 GMT 9 Jul 94

[By ITAR-TASS diplomatic correspondent Andrey Bychkov]

[Excerpts] Moscow, 9 Jul—The change of leadership in the DPRK brought about by the demise of President Kim Il-song "should not lead to any worsening of Russian-DPRK relations". This view was expressed today in a conversation with an ITAR-TASS correspondent by Valeriy Denisov, deputy director of the Russian Foreign Ministry's first Asian department. Moscow, he emphasized, "considers it important that relations with Pyongyang remain good-neighborly".

The Russian diplomat called the demise of the North Korean leader, who had ruled the country for many years, "a sorrowful event for the people of the DPRK."

"We hope," Valeriy Denisov declared, "that the demise of the DPRK president will not entail any complication of the situation in the Korean peninsula, that both Korean sides will continue the movement towards dialogue, and that the nuclear problem will be resolved in keeping with the interests of the world community." [passage omitted]

As for the effects of Kim Il-song's departure from the political scene on Russian-DPRK contacts, the deputy head of the Foreign Ministry department thinks that

there will be no deterioration in them. "There is absolutely no doubt," he noted, "that the change in leadership should not lead to any worsening of bilateral relations. The Russian side wants our ties to be good-neighborly and equitable and to develop in the spirit of current international standards."

Defense Ministry Says No Changes Detected in DPRK Activity

LD0907141194 Moscow ITAR-TASS in English 1354 GMT 9 Jul 94

[By ITAR-TASS correspondent Ivan Petrov]

[Text] Moscow July 9 TASS—The Russia's Defence Ministry spokeswoman denied reports by certain mass media alleging that the Defence Ministry was aware of North Korean decision to put its armed forces on alert following North Korean President Kim Il-song's death.

Yelena Agapova, aide to defence minister, told TASS on Saturday that "according to the Russian Defence Ministry's information, no changes have been registered as of today in the activities of North Korean armed forces, as well as troops of other states in this region".

"The troops of Russia's Far Eastern Military District have not been put on alert either", the spokeswoman stressed.

"Thus, there are no grounds for fuelling tensions in connection with the latest developments in North Korea", Agapova said.

No Responsive Measures Adopted

LD0907114094 Moscow Radio Rossii Network in Russian 1100 GMT 9 Jul 94

[Text] The press service of the Russian defense minister has confirmed that the armed forces of the DPRK have been put on high alert. Russian Defense Minister Pavel Grachev is aware of this. Nevertheless, according to the press secretary of the ministry, no responsive measures have been taken by the Russian armed forces. Troops in the Far Eastern military district are continuing their scheduled combat training.

Expert Says Kim To Meet South Korean President

LD1007061394 Moscow ITAR-TASS in English 0452 GMT 10 Jul 94

[By ITAR-TASS diplomatic correspondents Andrey Bychkov and Dmitriy Gorokhov]

[Text] Moscow, July 10 (TASS)—To the new North Korean leader, a meeting with the president of South Korea will be an important factor in the consolidation of his positions both inside the country and abroad, Viktor Pavlyatenko, deputy head of the Japanese and Korean Studies Centre of the Far East Institute of the Russian Academy of Sciences, told ITAR-TASS on Saturday.

The deceased North Korean President Kim Il-song is known to have intended to meet with his South Korean counterpart at the end of July. Now the task of conducting a dialogue between Pyongyang and Seoul is to be accomplished by his son Kim Chong-il, the official successor at the helm of the state.

From the viewpoint of foreign policy, a meeting with South Korean leader Kim Young-sam meets the interests of Kim Chong-il. "A date for the meeting is of no significance in this case, but I am convinced that it will take place. Thereby Kim Chong-il will attain two goals. Firstly, he will boost his international prestige, and, on the other hand, gain the upper hand in the internal political arena as well, considering antagonism between pragmaticists and conservatives in the party leadership," Pavlyatenko said.

A meeting between the two Korean leaders may direct the current situation on the Korean peninsula into a "calmer channel". Meanwhile the dialogue between North and South Korea will not be characterised by some breakthroughs. "And it is good because no region is prepared for them, including the Asia-Pacific one," the Russian expert said.

Pavlyatenko believes that it is much easier for the regional community to react to the situation if it unfolds gradually.

IZVESTIYA Commentator Views Kim Il-song Death

LD0907171694 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 9 Jul 94

[Commentary by IZVESTIYA observer Konstantin Egert]

[Text] The demise of one of the last loyal Leninists on the planet will undoubtedly give grounds for false interpretations and gossip for a while to come. This is all the more so in that the Japanese KYODO Tsushin agency—citing U.S. intelligence sources—indicates quite bluntly that Kim Il-song did not die a natural death. The new leadership—headed by his son, Kim Chong-il—is unlikely to be much better than its predecessor on the ideological front. Nevertheless, the change of leaders offers an opportunity for a loosening of the tight knot of the Korean crisis in the near future, first and foremost over the nuclear issue.

One of the main indicators of shifts in Pyongyang's policy is likely to be how Kim Chong-il and his entourage react to idea of the Korean bilateral summit that was discussed for the end of July. Furthermore, one should follow what U.S. diplomacy is up to: If the contacts between North Korea and representatives of the United States are resumed, one may be able to hope that

Pyongyang has finally decided to rid itself of the most odious elements of Kim Il-song's legacy.

Konstantin Egert, IZVESTIYA, for Ekho Moskvy Radio.

Yeltsin Comments on Yugoslav Sanctions

LD0807173194 Moscow INTERFAX in English 1603 GMT 8 Jul 94

[Text] Russian President Boris Yeltsin said that adoption of the law on suspending Russia's participation in the implementation of international sanctions against the United Republic of Yugoslavia would significantly limit Moscow's ability to influence political decisions of the world community aimed at settling the situation in former Yugoslavia.

After the State Duma passed this law at first reading Yeltsin sent the State Duma a message saying that ways for settlement of the situation in ex-Yugoslavia must not consist in Russia's unilateral suspension of the participation in the sanctions against the United Republic of Yugoslavia imposed by the UN Security Council. "This would be a violation of the UN Charter and would contradict the Russian Constitution," Yeltsin said.

Yeltsin said he believed that the problem could be resolved if the issue of raising the appropriate sanctions or changing them by the UN Security Council is discussed if this is considered reasonable.

Kozyrev Calls on Bosnian Parties To Accept Geneva Plan

LD1107121294 Moscow ITAR-TASS World Service in Russian 1105 GMT 11 Jul 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 11 Jul—The warring parties in Bosnia-Herzegovina should accept the peace plan approved by the second Geneva conference of the foreign ministers of Russia, the United States, and the countries of the European Union. This was stated here today by Russian Foreign Minister Andrey Kozyrev. He described the Geneva-2 package of proposals on a settlement of the Bosnian crisis as "the only realistic compromise."

At today's talks with the Australian foreign minister, Andrey Kozyrev informed Gareth Evans that, at their meeting in Naples the previous day, the leaders of the eight countries "expressed firm and resolute support for the Geneva package." The Russian minister told journalists that Canberra also supports these proposals. The Russian and Australian foreign ministers today discussed ways in which the two countries could use their influence to encourage the Bosnian sides "to take the Geneva proposals seriously and to accept them as the sole real, realistic compromise—albeit a difficult one—leading to peace."

Says Peacekeepers To Stay

LD0907193494 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 9 Jul 94

[Video report by Dmitriy Voskoboynikov; from the "Novosti" newscast]

[Excerpts] [passage omitted] [Voskoboynikov] Our interview with Russian Foreign Minister Andrey Kozyrev took place soon after he and his French, German, and British counterparts in Geneva issued a peace, or as some said a mild, ultimatum to the warring sides. This was an out-of-the- ordinary diplomatic mission. [passage omitted]

The foreign ministers gave the conflicting sides two weeks to agree to their mild ultimatum. Kozyrev set off from well-supplied Geneva to sanctions-hit Belgrade.

As soon as our minister arrived in the Yugoslav capital he was besieged by reporters, who heard that Moscow expects only a positive response to the map from the Bosnian Serbs and the Serbs in general. The head of the Russian Foreign Ministry referred throughout to the Serbs as friends and stressed that if they behave themselves they will even be able to create a Serb Republic-Yugoslavia confederation.

After that came protracted negotiations with President Slobodan Milosevic. Either it was the heat, or they were simply tired, or they failed to agree with each other, but when they came out to meet the media they did not look very happy and more or less reiterated one and the same thing: We have two weeks, we have to analyze it all, think it through. Following his meeting with Milosevic, Kozyrev escaped from our sight for a time, but the next day he elaborated for Novosti Plyus some of the results of his numerous meetings.

[Begin recording] [Voskoboynikov] You probably already have information on the first talks between the conflicting sides' contact groups after the Geneva summit. What is the reaction, and whose reaction causes you the most optimism—the Serbs' or the Muslims and Croats?

[Kozyrev] I do not want to, how will I say this, as a player in this game, raise the stakes.

[Voskoboynikov] Some countries, and in particular France and Britain, have hinted that if the ultimatum is not obeyed by one of the warring sides or if the embargo is lifted, they might pull their peacekeepers out of Bosnia. Could Russia follow their example?

[Kozyrev] Withdrawal of peacekeepers is not being examined at present as a means of encouragement or punishment. Because, in our opinion and that of many of our partners, this would be not only an extreme but also an extremely negative step. It could not be viewed as an encouragement for the Muslims, and an escalation of military operations could not be seen as a punishment for the Serbs since many of their soldiers and military

people could turn it to their own advantage. The peacekeepers are at the very center of an escalating war, where the protagonists are starting to arm themselves. Naturally, if all the others pull out their peacekeepers then we will probably do likewise. But the question does not arise at the moment. [end recording] [passage omitted]

State Duma Committees To Discuss U.S. Embargo Against Cuba

LD0807173594 Moscow INTERFAX in English 1603 GMT 8 Jul 94

[Text] Two committees of the Russian State Duma have proposed that a statement condemning the economic embargo against Cuba imposed by the U.S.A. be adopted.

The draft statement was worked out by the Committee on Economic Policy (led by Sergey Glazyev, the Democratic Party of Russia faction) and coordinated with the Committee on International Affairs (led by Vladimir Lukin, the Yabloko faction). The draft statement said, "the U.S.A. is continuing to strengthen and is trying to internationalize the embargo against Cuba." "Having adopted the Torricelli law the U.S.A. has displayed its intention to expand its domestic jurisdiction beyond the limits of its own territory which contradicts international law."

The draft statement also contained an appeal to the Russian government and Russian businessmen urging them to develop economic cooperation with Cuba on a mutually beneficial basis.

The draft statement was worked out after State Duma Speaker Ivan Rybkin met Cuban Ambassador to Russia Rogelio Montenegro on June 7.

Details of Plan for Cooperation With NATO

LD0907221194 Moscow Radio Moscow World Service in English 1910 GMT 9 Jul 94

[Text] Russia has drafted a detailed plan for its cooperation with NATO. This was revealed by spokesman of the Russian Foreign Ministry Andrey Androssov in a Radio Moscow interview. And here is Andrey Androssov:

[Announcer] First, a few words about the history of the matter, the Russian diplomat says. In Brussels on 22 June, the NATO Council adopted a joint protocol on preparing a Russia-NATO program. Simultaneously Russian Foreign Minister Andrey Kozyrev signed a framework agreement confirming Russia's decision to join the Partnership for Peace program. In keeping with the program, Russia had to present a document informing its NATO colleagues of the way it sees the content of its future cooperation with NATO. This has been done recently by the Russian ambassador in Brussels.

The document primarily concerns cooperation in the political sphere, the Russian diplomat Andrey Androssov notes. It should develop on the basis of UNO and CSCE principles, and its aim is to form a system of collective security and stability in Europe using the current practice of mutual consultations on the entire range of problems of European and world security. One of the areas of political cooperation, according to Andrey Androssov, is to enable Russian military plans to get access to foreign markets without any discrimination. Joint work in the military sphere is to be coordinated. There is one more area of cooperation—it covers conversion, including the development of joint projects, participation in NATO sessions devoted to conversion, exchange of data on technological expertise. Naturally, we intend to cooperate in humanitarian search and rescue work in elimination of the effects of natural calamities and in ecology.

Such are the main points of the Russian document on the drafting of a major program for cooperation between Russia and NATO, Andrey Androssov said, adding that the Russian side was ready to take into account NATO proposals concerning the program.

Duma Appeals for Latvian Citizenship Law Reconsideration

PM0807170094 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jul 94 First Edition p 1

["Statement of the Russian Federation Federal Assembly State Duma in Connection With the Adoption of the Law on Citizenship by the Saeima of the Latvian Republic," Moscow, 6 July 1994, No. 159-I GD]

[Text] The Russian Federation Federal Assembly State Duma expresses serious concern over the adoption of the Law on Citizenship by the Saeima of the Latvian Republic. This law, which affects the lives of hundreds of thousands of people, contains a number of provisions that are unacceptable to civilized countries and directly violate the rights of national minorities, first and foremost the Russian-speaking population of Latvia.

The Latvian parliament's decision is a challenge to the international community. It violates the principle of nondiscrimination enshrined in the fundamental international legal documents in the sphere of human rights. It ignores many recommendations of the Council of Europe, the CSCE high commissioner for the affairs of national minorities, and international experts. It enshrines in legislation a system of quotas for the granting of citizenship, which is contrary to international practice.

The arbitrary deprivation of more than one-third of Latvia's inhabitants of citizenship and the restriction of their political, economic, social, and cultural rights is further evidence of the continuing policy of squeezing out of Latvia those inhabitants who belong to "undesirable" nationalities. This course is fraught with the most serious consequences.

The State Duma, taking note of the Latvian president's decision to send the Law on Citizenship back to the Saeima for reconsideration, calls on Latvian parliamentarians to abandon the policy of discrimination. Now is the time to return to the proposals to grant the right to citizenship of the Latvian Republic to all its permanent residents on the basis of free choice and the submission of the appropriate applications within a period that could be laid down by the Law on Citizenship. This decision alone would be fully in accordance with the spirit and letter of present-day norms of international law and the aspirations of people who have linked their fate to Latvia's.

The deputies of the State Duma appeal to the parliaments and governments of European countries to take every measure to encourage the Latvian parliament radically to reconsider the discriminatory provisions of the Law on Citizenship. In this situation, to do nothing, or to be satisfied with cosmetic amendments, would be to connive with the forces of aggressive nationalism who are fanning the flames of national strife in the Baltic. On this question, as on others, we expect from our European partners integrity, adherence to democratic principles, and consistency. Silence, and especially double standards, are impermissible in the situation that has arisen.

The State Duma declares that it will consistently uphold the interests of the Russian-speaking population, resolutely reject all attempts to discriminate against them, and seek the improvement of the legal and social situation of its compatriots abroad. The State Duma reaffirms its readiness to promote the granting of Russian citizenship to all citizens of the former USSR who so wish.

The actions of the State Duma in developing Russian-Latvian relations, including through the creation of a legal and treaty base for those relations, will be linked in the closest possible way with the normalization of the legal position of the Russian-speaking population of the Latvian Republic and full observance of their political, economic, social, and cultural rights.
Moscow,
6 July 1994,
No. 159-I GD.

Statement Issued After Foreign Ministers Talks

BK1007155094 Islamabad Radio Pakistan Network in Urdu 1500 GMT 10 Jul 94

[Text] Russia has said that it is ready to support any useful proposal to check nuclear threats in South Asia. A statement issued at the end of the meeting between the foreign ministers of Pakistan and Russia in Moscow said that the issue of the proliferation of weapons of mass destruction was particularly discussed during the talks. The statement said that Russia feels that bilateral and multilateral negotiations on the issue can lead to the creation of an understanding through which the interests of all sides in relation to general security and stability will be protected.

Kozyrev, 'Aziz Discuss Softening International Sanctions

LD0807162194 Moscow INTERFAX in English 1446 GMT 8 Jul 94

[From the "Diplomatic Panorama" feature]

[Text] Russian Deputy Foreign Minister Boris Kolokolov said in an exclusive interview with Interfax that during the meeting between Russian Foreign Minister Andrey Kozyrev and Iraqi Vice Premier Tariq 'Aziz in St. Petersburg today they had discussed softening the sanctions against Baghdad. Kolokolov said the meeting had not been formal and had come as unexpected.

"Knowing that Kozyrev will be in St. Petersburg 'Aziz has come there. The meeting was held on the request of the Iraqi party and was neither planned nor registered," Kolokolov said.

Kolokolov said the Russian party was interested in the implementation of the resolutions of the UN Security Council on the post-crisis settlement in the Persian Gulf. "We stated that their proper implementation would let Russia support the policy for gradually raising the sanctions against Baghdad emerging in the UN Security Council," he added.

Kolokolov stressed that Iraq had already carried out many provisions on disarmament included in the resolutions of the UN Security Council which had been confirmed by the UN Commission for Disarmament headed by Raulf Ekkeus.

"Russia has repeatedly stated in the UN Security Council that either the chairman of the Security Council or the final document of its meetings must point out the positive changes concerning the implementation of the resolutions of the Security Council by Iraq," Kolokolov said.

Kolokolov also said that not only Russia but also France and China were speaking in favor of raising the sanctions against Baghdad in the UN Security Council. "Iraq was an aggressor. It was forced out of Kuwait. Now it has to pay for the damage caused to many countries and many people. Moscow backed the Desert Storm operation though it did not take part in it. We have voted for all resolutions of the UN Security Council concerning the sanctions. However, we cannot be acting only by pressure," he pointed out.

Kolokolov said he believed that now when the positive moves of Iraq were so obvious the UN Security Council must also send to it some positive message. "In other words, we are speaking in favor of combining firmness in everything concerning the implementation of the resolutions of the UN Security Council by Iraq but with encouraging the already existing positive changes in the position of Iraq," Kolokolov said.

Kolokolov stressed that in accordance with Provision 22-M of Resolution 687 of the UN Security Council "we

take into account and will be continuing our initiatives aimed at softening the resolutions and raising the embargo, for instance on delivery of Iraqi oil. This will ease the atmosphere and improve the humanitarian situation in Iraq."

Kolokolov said Russia was conditioning its intentions with the problem of monitoring meaning long-term control over the military facilities where production or accumulation of mass destruction weapons could be resumed. "Russia wants monitoring to begin in July. Russia also wants that the control test term be not longer than six months," he added.

Kolokolov also announced that during the meeting between Kozyrev and 'Aziz the Russian foreign minister had raised the issue concerning recognition and implementation of Resolution 833 of the UN Security Council by Iraq. Resolution 833 provides for recognition of Kuwait's territorial integrity and of the Iraqi- Kuwaitian border demarcated by UN experts. Kolokolov said that bilateral cooperation had also been discussed. In particular, "we stated that after raising the sanctions we were ready to resume cooperation with Iraq."

Kolokolov said that Aziz had confirmed the intention of the Iraqi leaders to resume cooperation with Russia. "The fact that 'Aziz sought a meeting with Kozyrev proves that Iraq is hoping for Russia's impartial and friendly position," he stressed.

Paper on Kozyrev-'Aziz Talks

JN0807113094 Amman AL-RA'Y in Arabic 8 Jul 94 pp 1, 27

[Salam Musafir dispatch from Moscow]

[Excerpts] Iraqi Deputy Prime Minister Tariq 'Aziz arrived in Moscow at 2300 the day before yesterday [6 July] on a visit that Moscow was keen to portray as non-official. The Iraqi officials's private plane landed in Vnukovo state airport and he was received by a number of officials from the Russian Foreign Ministry's Protocol Department.

Well informed sources said that 'Aziz and his delegation were taken to stay in a guest house in the Forobi Hills (formerly Lenin Hills) area, to the south of Moscow. These houses are usually reserved for senior guests of the state.

The sources added that throughout yesterday, 'Aziz held a series of consultations with senior Russian Foreign Ministry officials, including Deputy Foreign Minister Boris Kolokolov and Viktor Posuvalyuk, director of the Russian Middle Eastern Department, to prepare for the meeting with Russian Foreign Minister Andrey Kozyrev, who returned from Belgrade to St. Petersburg (formerly Leningrad) to meet there with the Iraqi official, who arrived in the city last night on board his private Iraqi jet. [passage omitted]

Diplomatic sources expect these Russian-Iraqi talks, the first to be held on such a level since the Gulf War, to touch on a host of issues related to the resumption of commercial and trade cooperation between the two countries. The sources also expect the Iraqi official to present to the Russians a number of ideas, proposals, and plans to expand trade and economic exchange between Iraq and Russia, which has major interests in Iraq.

The sources did not rule out the possibility that the Russian foreign minister will obtain from 'Aziz a clear Iraqi recognition of Kuwait's sovereignty and border delineation, provided that such a qualitative development in Baghdad's attitude can be used in the direction of lifting the sanctions imposed on Iraq and the start of a process to normalize relations with the Arab Gulf states. Russia can play a mediating role in this process in view of its expanding relations with the region's states and in view of the recent improvement in relations between Moscow and Baghdad, following an intensive exchange of visits in the recent months and the arrival of Russian equipment that Iraq had purchased previously in contracts with the Soviet Union, including agricultural harvesters. Moscow also tried twice to obtain an approval from the UN Sanctions Committee to resume work on the building of al-Yusufiyah thermoelectric station in Iraq. An official Russian spokesman has voiced his country' protest against the committee's failure to respond to Moscow's request. [passage omitted]

Spokesmen Neither Confirms, Denies Talks

LD0807110894 Moscow INTERFAX in English 1057 GMT 8 Jul 94

[Text] Russia's Foreign Minister Andrey Kozyrev held intensive negotiations in St. Petersburg Thursday [7 July] with his Iraqi counterpart Tariq 'Aziz, however, Kozyrev's spokesmen have refused to either confirm or deny this report.

A spokesman would only say that on his way back from Belgrade to Moscow, Kozyrev spent a few hours in St. Petersburg, carrying out a "presidential assignment" there. The essence of this assignment is not clear yet.

'Aziz Reportedly Leaves Russia

LD0807123994 Moscow ITAR-TASS World Service in Russian 1202 GMT 8 Jul 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[Text] Moscow, 8 Jul (ITAR-TASS)—The subjects discussed in the St. Petersburg talks Thursday between Russian Foreign Minister Andrey Kozyrev and Iraqi Deputy Prime Minister Tariq 'Aziz remain shrouded by a thick veil of secrecy. An ITAR-TASS correspondent learned from informed sources that the emissary from Baghdad has already left Russia.

Obviously, the meeting dealt with problems related to the lifting of the international embargo which the world community imposed on Iraq following its attack on Kuwait in the fall of 1990. However, no details of the content of the talks have reached journalists through the tightly closed doors of the Russian Foreign Ministry. Moreover, a highly placed Foreign Ministry official, who wished to remain anonymous, said in a telephone conversation that he sees no reason for such heightened interest in Tariq 'Aziz's arrival—which, incidentally, was unannounced. He also said that, as far as he is aware, it is not planned to give journalists any official information on the meeting.

Meanwhile, the unexpected appearance of the Iraqi emissary in Russia prompted considerable interest by the foreign media as well, for quite obvious reasons. The date is approaching when the UN Security Council is to consider a report on Baghdad's observance of the demands made of it in the familiar [Security] Council resolutions. The meeting will take place against the background of growing demands from several countries in the Arab and Islamic world, Europe, and South America to "give Iraq an incentive in return for its good conduct" and to relax the international sanctions.

Kozyrev-'Aziz Meeting Seen as Sign of Moscow Shift

MK0907102094 Moscow SEGODNYA in Russian 9 Jul 94 p 1

[Report by Vladimir Abarinov: "Kozyrev-'Aziz: A Nearly Secret Meeting"]

[Text] The fact that Andrey Kozyrev has met with Iraqi Deputy Prime Minister Tariq 'Aziz has long remained unconfirmed, but there have been no doubts about the possibility of such a summit. As early as 5 July, Boris Kolokolov, Russian deputy foreign minister, as if in anticipation of the ministerial talks, presented a detailed expose of Russia's official stance on the question of lifting the anti-Iraqi sanctions. In Moscow's view, Baghdad has nearly fully complied with the requirements of UN Security Council Resolution No. 687, and therefore now the implementation of paragraph 22 of the resolution can be contemplated—that is, the lifting of an embargo on Iraqi oil sales. Russia suggests that a six-month trial period be set, upon the expiry of which the question of easing the sanctions can be considered. Mr. Kolokolov particularly emphasized that it is none other but the Iraqi people who suffer from the sanctions.

SEGODNYA wrote about Russia's diplomatic activity aimed at reviewing the anti-Iraqi sanctions in its issue of 1 July. In particular, during the past year Boris Kolokolov has twice met with Iraqi Deputy Foreign Minister Riyad al-Qaysi. At UN headquarters, representatives of Russia, France, and China are holding intensive consultations on the subject. On 18 July the matter will be considered by the Security Council. On the eve of that date, Tariq 'Aziz is making a tour of a number of European countries. The day before yesterday, ITAR-TASS, citing "informed sources," reported that 'Aziz had arrived in Moscow. On that day Andrey Kozyrev, despite the initial schedule of his visit, flew from Belgrade to St. Petersburg for an unknown purpose. According to Grigoriy Karasin, director of the Foreign Ministry information and press department, the minister planned "to see how preparations are proceeding for the visit by British Queen Elizabeth II." According to other sources, Kozyrev was fulfilling a presidential assignment. Still, until yesterday evening the Foreign Ministry, although it would not deny reports about the alleged meeting with 'Aziz, was not rushing to confirm them.

In all likelihood, the meeting's "secretiveness" can be attributed to the fact that Moscow did not want to add yet another irritant to its relations with Washington and London. Judging from some reports, 'Aziz was staying in Russia as a private person.

'Doubts' Aired Over Vancouver Aid Package

PM1107105094 Moscow PRAVDA in Russian 9 Jul 94 p 3

[Article by commentator Vladislav Drobkov: "We Will Wait 10, Not Three Years for What Was Promised: Only $250 Million of the #2.5 Billion in U.S. Aid Has Come to Russia to Date"]

[Text] Washington, 8 Jul—If some people are still agonizing over the whereabouts of the billions of dollars promised to Russia by first George Bush and then Bill Clinton "to support the reforms," there is no need to do so any longer.

A significant proportion of the dollars is located in a perfectly reliable place—the U.S. state treasury.

U.S. congressmen attempting to track down the funds allocated by them a long time ago now for the purpose of helping the Russian reforms made this unexpected discovery the other day. However, this discovery may be considered unexpected only by really stretching a point. For a long time now many people both in Washington and Moscow have harbored doubts regarding the implementation of the American aid program announced with such a fanfare during the Clinton-Yeltsin meeting in Vancouver. The program seems to exist but the aid has gotten held up somewhere.

I and my Washington colleagues from Russian publications have tried repeatedly to ascertain the state of affairs in this area from officials here. But all our attempts to find out what proportion of the sum promised and even allocated by the U.S. congressmen has reached Russia ended in failure. The polite promises, traditionally made by anonymous "high-ranking representatives," to provide precise figures simply remained unfulfilled.

But now at last the veil of secrecy has been lifted a little. Figures on the actual size of the aid received in Russia

out of the $2.5 billion promised over a year ago [as published] appeared in the press here precisely on the eve of the new meeting between Clinton and Yeltsin scheduled for this weekend in Venice.

A large part of the $2.5 billion which Congress allocated to the former Soviet states back last fall remains unused at the very moment when President Yeltsin is preparing to ask the Western leaders for fresh assistance, AP correspondent Alan Fram [name as transliterated] writeson this topic. As the congressmen have now ascertained (Washington officials could not refuse them this information—V.D.), only around...$250 million of the $2.5-billion "Vancouver package" glorified by our democratic press has arrived to date!

In other words, almost 90 percent of the American aid to Russia still remains in America. As Lee Hamilton, chairman of the House Committee for Foreign Affairs, has stated, the Russian aid program "has not been accorded the priority it deserves." "Before promising extra aid we should make the best use of what has already been allocated," stated Senator Patrick Leahy, who also criticized the administration for tardiness on this issue.

$2.1 billion of the $2.5 billion has been handed over to the American Agency for International Development. Since last fall through 24 June it managed to place $527 million in various aid programs, ranging from improving safety at atomic power stations to subsidizing the publicity campaign in favor of privatization. Only $250 million of that has been spent.

Almost all the rest of the "Vancouver package"—around $300 million—has been given to the Export-Import Bank to subsidize various joint ventures and purchase American equipment for Russia. But here the aid has been marking time. Not one of the $28.8 million allocated by the bank for several such deals has been spent to date.

If matters go on this way, it will take a decade to open just one "Vancouver package." So there is no need to be specially joyful about the new promises of aid to Russia which may be heard in Venice over these days. And it may make no sense to ask for such "support" either. The path of dollar donations "to reforms" is indeed proving a painfully long and involved one.

Political Issues

Yeltsin Signs Package of Socioeconomic Edicts

LD0807174094 Moscow ITAR-TASS in English 1704 GMT 8 Jul 94

[Text] Moscow July 8 TASS—Russian President Boris Yeltsin has signed another package of social-economic decrees to include:

- the decree "on regulation of state registration of enterprises and businessmen on Russian territory",

- the decree "on reduction of mobilization capacities and mobilization reserve",

- the decree "on the procedure of financial support to enterprises from the federal budget",

- the decree "on the implementation of the program of housing construction for Russian servicemen withdrawn from Germany",

- the decree "on the implementation of the program of housing for dismissed and transferred to the reserve Russian servicemen with a free subsidy issued by the U.S. Government".

Full texts of the decrees will be sent to mass media bodies in the immediate future, the presidential press service reports.

Yeltsin Edict on Stabilizing Living Standards

PM0807140594 Moscow ROSSIYSKAYA GAZETA in Russian 8 Jul 94 Weekend Edition p 2

[Edict No. 1474 of the Russian Federation President "On the Preparation of a Draft Program for the Stabilization of the Russian Federation Population's Living Standards," dated 7 July 1994, The Kremlin, Moscow and signed by Russian Federation President B. Yeltsin]

[Text] For the purposes of providing social protection for the least secure strata of the Russian Federation population and guided by article 80 of the Russian Federation Constitution, I decree that:

1. The provision of basic social guarantees for Russian Federation citizens through the stabilization of the living standards of the population, particularly its least secure strata, is to be deemed a priority area of Russian Federation social policy.

2. The Social Policy Council under the Russian Federation President, in conjunction with the Russian Federation Government, is to prepare and submit for the Russian Federation president's consideration before 1 September 1994 a draft program for the stabilization of the Russian Federation population's living standards.

3. The Russian Federation President's Staff is to provide finance for work on preparing the draft program to stabilize the Russian Federation population's living standards.

4. Federal organs of executive power are to help the Social Policy Council under the Russian Federation president obtain the requisite materials for the elaboration of a draft program to stabilize the Russian Federation population's living standards.

5. This edict enters into effect the moment it is signed.
[Signed] Russian Federation President B. Yeltsin.
[Dated] The Kremlin, Moscow, 7 July 1994.

Duma Sets News Coverage Rules for State Media

MK0707110094 Moscow SEGODNYA in Russian 7 Jul 94 p 2

[Report by Aleksey Kirpichnikov under the "Mass Media" rubric: "The Press Gets Freedom Tomorrow. TV and Radio Wince Already Today"]

[Excerpts] A draft law "On the Rules for Covering the Activities of Organs of State Power in the State-Run Mass Media" has passed its second reading in the State Duma. If the document's third reading, as well as the president's and the Federation Council's reaction is as good, we are in for signal innovations in the television and radio broadcasting schedule and in the layout of concrete programs.

On the schedule of each state-run television and radio company would turn up descendants of the legendary "Parliament Hour" (true enough, the amendment calling for daily 30-minute prime time programs has not been passed yet owing to the low deputy turnout at their sessions). The composition of the existing federal news programs will be altered. "Novosti" and "Vesti" [major evening news shows] will commence by presenting a separate selection of news on what the president, the Federal Assembly chambers, and the government and its presidium accomplished during the day. No commentary is allowed in this selection. Besides, members of parliamentary committees, factions, groups, and individual deputies will be given a chance to speak at the beginning of newscasts live and on their insistence. [passage omitted]

While the document spells some complications for the electronic media, it contains many important things affecting the press. The press, in the words of Mikhail Poltoranin, Duma mass media committee head, shall be withdrawn from under the organs of state power. In this connection the lower chamber has made amendments to the law "On the Mass Media" in line with which these organs (both at the level of the Federation and of its components) cannot be founders of a periodically printed publication, with the exception of a publication that prints exclusively official communications, that is to say, duplicating the above semi-official selections

coming at the start of newscasts. Thereby, Mr. Poltoranin thinks, the Duma is setting up, via the mass media, control over the authorities and preventing Russia's sliding toward a police state. That difficulties with financing will begin is clear, but what is free from them? [passage omitted]

Prior to discussing the document, first vice speaker Mikhail Mityukov told about what is being done to carry out the Duma decree on its own television and radio company. Although it is not quite clear what the company is needed for in the event the draft law is passed, Dmitriy Biryukov has already been appointed its acting chairman, the list of members of the staff and the financial estimates have been all drawn up, and the 12th floor of the State Duma has been allocated. The company's launching stage will cost $12 million while it will go to work sometime before November. Asked by the Duma people about the television and radio structure created by their predecessors in the White House, the government answers: "We need it for ourselves." Oleg Poptsov, head of the Russian State Television and Radio Company, is as adamant, saying that his broadcasting schedule has no slot to spare. Thus, in 1994 the Duma will have to pay out of its own recently approved budget.

FCIS Staffers To Carry Guns at All Times

LD0807205394 Moscow ITAR-TASS in English 2009 GMT 8 Jul 94

[By ITAR-TASS correspondent Vyacheslav Bondarenko]

[Text] Rostov-on-Don July 8 TASS—All staffers of the Russian Federal Counter-Intelligence Service [FCIS] shall permanently carry guns and be ready to fire for effect, service head Sergey Stepashin said here today upon the completion of his trip to the Stavropol territory, the Kuban and Don regions.

Stepashin supported the recent presidential decree against crime and said that "the personnel of the Federal Counter-intelligence Service together with the Interior Ministry is able to stop the criminals' right to rob and kill".

In his words, "offensive measures against organized crime, which would be adequate to the circumstances, are needed".

Gorbachev Hearing on Varennikov Coup Case Ends

LD0807162494 Moscow ITAR-TASS World Service in Russian 1503 GMT 8 Jul 94

[By ITAR-TASS correspondent Yuriy Shcherban]

[Text] Moscow, 8 Jul—Everything that was done in court today was done to knock me off balance," Mikhail Gorbachev, former president of the USSR, told the Military Collegium Court today. He was called as a witness in the case of Valentin Varennikov, former commander in chief of the USSR ground forces.

In court today, the verbal exchanges between Valentin Varennikov and Mikhail Gorbachev, during which the parties did not shy from insulting each other, lead to State Prosecutor Procurator Arkadiy Danilov drawing the attention of the trial participants to the fact that "by entering into discussions between themselves they are undermining the authority of the court as well as their own."

The hearing of evidence by Mikhail Gorbachev in an open court examination has ended. There will be further information on the beginning of the closed hearings.

Appearance Seen as Political

PM0807130594 Moscow IZVESTIYA in Russian 7 Jul 94 p 5

[Report by Leonid Nikitinskiy: "Mikhail Gorbachev Defends His Own Version of USSR's Disintegration"]

[Text] On Thursday [7 July] ex-USSR President Mikhail Gorbachev is expected to be questioned as a witness in the Russian Federation Supreme Court, which is continuing its examination of the "State Committee for the State of Emergency case" in relation to the charges against General Varennikov.

On the eve of this Gorbachev assembled a small group of journalists at his foundation with the aim of holding a last rehearsal before the proceedings. The day before this he appeared at the parliamentary hearings on the problems of the CIS, where for the first time he met face-to-face with his enemies in the events of August 1991. Evidently Gorbachev came to the conclusion that the time had come to pit his own version of the USSR's disintegration against the one being cooked up by the extreme opposition.

Gorbachev expressed regret that the reformist USSR leadership headed by him appreciated the full significance of the national-regional question too late, when the processes of disintegration within the united country had already gathered momentum. Nevertheless, he continued and continues to believe that the USSR's disintegration was not caused by an objective historical need but was to a great extent the consequence of a power struggle and political intrigues. By initiating the Novo-Ogarevo process Gorbachev was working toward a gentle transformation of what was in fact a unitary state, which the USSR remained, into a real federation, but these plans were foiled by the putsch.

Speaking at the parliamentary hearings in the auditorium where he was opposed by Anatoliy Lukyanov, Valentin Pavlov, Dmitriy Yazov, and other former plotters, as well as ex-Constitutional Court Chairman Valeriy Zorkin, the inflexible Sazhi Umalatov, and other

representatives of the current extreme opposition, Gorbachev demonstrated that he has managed to retain his fighting qualities though he has retired into the political shadows.

Today he is not so much defending himself as attacking. It is not hard for him to parry lackluster reproaches from the left-wing opposition, because the ex-USSR president tactically associates with it the general main target of criticism in the person of B. Yeltsin, who is regarded as the chief culprit in the USSR's disintegration and the initiator of the Belovezhskaya agreement.

Gorbachev's appearance in the Supreme Court is unlikely to really help evaluate defendant Varennikov's degree of guilt or to have any purpose other than a political one.

It seems improbable that Gorbachev is planning to play his own political game in the future, for example, to contest the presidency. At the same time he is not indifferent to the kind of comments with which his name goes down in Russian history. Every Russian is far from indifferent to this too, but the unabated political speculation over the real tragedy of the USSR's disintegration is fraught with new upheavals for Russia.

State Committee Gives Statistics on Infectious Diseases

LD1007152594 Moscow INTERFAX in English 1302 GMT 10 Jul 94

[Text] About 10,000 people caught diphtheria in Russia from January to May 1994, more than three times the number in the same period of 1993, the State Sanitary and Epidemiological Inspection Committee reported.

The incidence of the disease was such in 1993 that it was regarded as an epidemics, especially in St. Petersburg (51.7 cases per 100,000 of the population against the national average of 6.7), the Maritime Territory (42.5), the Leningrad Region (36.9) and Moscow (28.3). Adults from 30 to 50 account for 70 percent of all cases.

The incidence of whooping cough has increased to 20,941 nearly 2.5-fold the number in the first five months of 1993, 20,674 of them being children before 14.

Outbreaks of dysentery and salmonellosis were also more widespread in 1994.

FITUR Changes Tactics, Adopts Regional Focus

MK0807102094 Moscow KOMMERSANT-DAILY in Russian 8 Jul 94 p 3

[Report by Galina Pechilina: "Trade Union Leader Wants To Preserve FITUR. Mikhail Shmakov Changes Strategy"]

[Text] Yielding to the latest trends in Russian politics, the Federation of Independent Trade Unions of Russia [FITUR] has decided to increase its influence in the regions. Federation leader Mikhail Shmakov opened a conference in Kazan yesterday attended by trade union leaders of 14 republics in Russia, of Altay Kray, and Abkhazia. This is perhaps the first time that the Federation leader admitted that the Moscow authorities do not have much consideration for the successors to the [Soviet] All-Union Central Council of Trade Unions.

Right on the first day, the conference participants got around to discussing questions that are primarily of concern to the trade union bosses, that is to say relations with the bodies of state power. Shmakov, as always, pointed out in his address that much depends on the actions of trade unions at this stage of the country's development. True enough, this time around he did not have in mind yet another stage of yet another five-year period. but economic reforms. But, as it turned out, the FITUR has too few possibilities to see to it that during this process the people of Russia "could work and get satisfaction from their work, primarily material satisfaction." Shmakov told the regional leaders that it is very difficult for trade unions to influence, on the federal level, the executive and legislative authorities. "Today, nobody reckons with the poor and weak, they only reckon with the strong and rich," he stated.

Shmakov must have had in mind not only the federal authorities, but also his counterparts—regional trade union leaders. Some of them, without seeking advice from FITUR leaders, recently decided to withdraw from under the roof of the Russian Union of Industrialists and Entrepreneurs, which lost the parliamentary elections. The regional union leaders have picked on the Federation of Commodity Producers, led by Yuriy Skokov as their new patron. The FITUR leaders discerned in the regions' smugness the danger of further weakening of the organization or even of its split. Thus, to all appearances, the true objective of the current conference is to probe to what extent the regional organizations are amenable to control and what they think about a union with the commodity producers.

Winding up his address, Mikhail Shmakov said that considering the sort of relations FITUR leaders have with the authorities, the only hope is for the regions. Interacting with regional authorities, the trade unions could facilitate the passing of laws protecting "the working man." It seems, however, that the change of tactics can hardly accomplish much. Because the regional leaders stated in their turn that their problems are absolutely similar to those of Moscow—the regional authorities do not reckon with them too much.

Economic Issues

Figures Show Wages Lagging Behind Inflation

PM1107091394 Moscow ROSSIYSKIYE VESTI in Russian 8 Jul 94 p 1

[Report by Candidate of Economic Sciences Aleksandr Solovyev under the "Subjective" rubric: "Pace of Wage Increases Lagged Behind Rise in Prices"]

[Text] On 1 July the minimum wage was raised from 14,600 rubles [R] to R20,500 and the rates contained in the Unified Wages Schedule for public sector employees also rose 1.4 times. All of this will cost the state budget almost R1.5 trillion: One-third of that bill will be footed by federal sources, which exist only on paper, while the rest will come from local sources, which do not even exist on paper yet.

Be that as it may, an event has occurred for which Russians have been waiting for seven months. Many reasons were given to explain why it has taken so long to index the pay of public sector staff. The most widely quoted Finance Ministry argument is that this is a "reindexation," that incomes have been rising faster than prices. But is that true? The following figures speak for themselves [In the following table row 1 represents the "Index of the growth of consumer prices as a percentage of the preceding month"; row 2 represents the "Index of the growth of average wages in the national economy"; row 3 is labeled "Of which, public sector employees"]:

1993	1994							
Dec	Jan	Feb	Mar	Apr	May	Jun (forecast)	Jun compared with Jan	
1	113	121	110	109	110	108	108	185.1
2	100	95	108	114	104	105	104	132.8
3	100	97	102	100	99	101	101	99.9

	1993	1993	1994
	Jun	Dec	Jul
Minimum wage, thousand rubles	7740	14620	20500
Scale of indexation, percent		190	140
Index of consumer prices as percentage of previous increase in the minimum wage		263	210
Amount of "underindexation" as percentage		140	150

Thus in the first half year the rate at which wages increased lagged considerably behind the growth in consumer prices. Furthermore, this had the greatest impact on public sector employees.

Will pay catch up with inflation after July's 1.4-fold indexation? The answer is no, as the table clearly shows. At best it will make up the "shortfall" of last December.

A new "underindexation" of approximately 150 percent is taking place, and this will not only destabilize the social situation in the country but will also slow down the development of the commodity market (because of low consumer demand) and of production.

Chubays, Others, Review Privatization Program

LD0807120894 Moscow ITAR-TASS in English 1137 GMT 8 Jul 94

[By ITAR-TASS correspondent Viktor Petrenko]

[Text] Moscow July 8 TASS—"The main achievement of voucher privatisation, which is the main stage on the way to the market economy, was the appearance of a large number of private owners," said chairman of the State Property Committee Anatoliy Chubays. According to experts' estimates, over 40 million people have become shareholders of industrial enterprises and voucher privatisation funds.

The process of privatisation has been going on on a large scale. At present, a total of 100,000 enterprises, including 20,000 major enterprises with a staff of tens of thousands people, were privatised. The authorized stock of these enterprises exceeded a trillion roubles. At the same time, such a form of privatisation enabled every citizen to take an active part in privatisation, said director general of the Russian Privatisation Centre, Maksim Boiko, in an interview with ITAR-TASS.

This process was promoted to a great extent by the system of all- russia and interregional voucher auctions where the shares of major russian enterprises were sold. Thanks to voucher auctions, any citizen, regardless of his place of residence, was able to acquire shares of the "Lomo" association in St. Petersburg. The Lukoil company, the Tula defence plant and the "Norilskiy Nickel" joint stock society. Over 20 million shares were sold at the auctioning of the "EES Rossiya" joint stock society.

The importance of the first stage of privatisation is that the voucher, being introduced as a purpose-oriented state security, promoted the creation of the market of securities in Russia. Shares of enterprises first sold at voucher auctions, appeared on a secondary market, where their selling price considerably exceeded their nominal value. For example, shares of the "Rostelekom" joint stock society with the nominal value of 12.5 roubles cost eight dollars now, while the cost of "Lomo" shares exceed the nominal value by 225 times.

The voucher privatisation promoted the necessary investments into the economy. Part of the shares was sold to investors at trading sessions attended by foreign investors as well. Last year, every fifth investor winning auction sales was either a foreign company or a joint venture.

At present, the voucher privatisation has been completed. However, the process of property changing hands will continue - since the sale of blocks of shares begins at

monetary auctions. Such auctions can sell shares to owners of unused vouchers, whose number is nearly 4,000,000. "It will be allowed to use such vouchers after September 1 in accordance with the president's decree, and use them in any privatisation transactions," said Dmitriy Vasilyev, deputy chairman of the State Property Committee.

Monopoly Bill Passed, Foreign Investment Laws Drafted

MK0807105094 Moscow SEGODNYA in Russian 8 Jul 94 p 1

[Report by Gleb Cherkasov in the "Council of Ministers" column: "The Government Has Approved the Law on Natural Monopolies. Bills on Encouraging Private Foreign Investments Have Been Drafted"]

[Excerpts] Yesterday Antimonopoly Committee Chairman Leonid Bochin presented to a government session a draft law, On Natural Monopolies. The Council of Ministers approved the draft as a whole and after finalization will submit to the State Duma. The draft law On General Principles of Local Government Organization in the Russian Federation, proposed by Duma Committee Chairman Anatoliy Sliva, was sent for reworking. [passage omitted]

The Russian Government has drafted another three new laws on encouraging private foreign investments in Russia's economy, Yevgeniy Yasin, chief of the Analytical Center under the Russian Federation president, announced in Paris yesterday. The bills, to be submitted to parliament this fall, pertain to foreign capital investments in Russia as well as the activity of free economic zones and concessions. Yasin specified that the Russian authorities will be giving preference to profitable projects which begin to make a profit within a short time compared to those with a long payback period.

Jun Inflation Lowest Since Price Deregulation

PM0807131194 Moscow ROSSIYSKIYE VESTI in Russian 8 Jul 94 p 1

[Report by Irina Goryacheva, chief of the Administration for the Analysis and Forecasting of Prices of the Russian Federation Government's Center for Economic Conditions, under the "Official News" rubric: "Inflation Rate at Its Lowest in June"]

[Text] The Russian Federation Government's Center for Economic Conditions reports that according to the latest figures provided by the organs of the state statistical service for June, the weekly monitoring of prices reveals the following:

the general inflation index was 104.8 percent, and has increased 80 percent since the start of the year;

the rise in charges for paid consumer services has continued to keep ahead of the change in prices for foodstuffs and nonfood goods;

in the major Russian cities food prices rose slower than in the small and medium cities;

and the average cost of the range of 19 major foodstuffs was 57,400 rubles [R] a month, which is 6.3 percent up on the previous month.

Inflation in June was at its lowest in the past two and one-half years (since the liberalization of prices) at 4.8 percent a month. Prices rose on average 1.1 percent a week in June and 0.9 percent for the last three weeks of the month. The change in prices and charges for paid consumer services again substantially exceeded the rise in prices for consumer goods (by almost threefold). Consumer service prices rose 11.7 percent over the month.

In individual economic regions the difference in the change in prices in June was 6 percent (as against 8 percent in May). The largest increase in prices for consumer goods and services was recorded in the Central Chernozem Region—6.9 percent—which in June had the highest rise in food prices in Russia (7.9 percent) and had a substantial rise in prices for paid consumer services (15 percent).

The rise in prices for the basic consumer goods and services in the Urals Region was less than 1 percent.

Paid consumer services rose by 24 percent in Moscow mainly as a result of the increased cost of city transport fares and electricity charges. The overall rise in prices for goods and services was considerably higher than the Russian average at 7.4 percent. In St. Petersburg consumer prices rose by 5 percent over the month.

The average cost of the range of 19 major foodstuffs at the end of June was R57,400 per month, which represented a rise of 6.3 percent over the month and 90 percent since the beginning of the year. Using prices in the organized trade network this range of goods cost R55,000 whereas in nonorganized trade the cost was R70,400. Prices for this range of goods in the nonorganized trade system were 1.3 time higher than in the organized sector over the month.

The difference between the maximum and minimum cost of the range of goods in various Russian cities was 3.5 times (at the end of May the figure was 3.7).

The greatest intraregional difference in the cost of the range of goods was recorded in cities in East Siberia and the Far East at 2.7 and 2.1 times respectively.

The highest rise in prices for this range of goods over the month was recorded in the North Caucasus and Volga regions—14 percent and 9 percent respectively. The rise in prices was least in the Volga Vyatka Economic Region (1 percent) and the West Siberian Economic Region (2

percent). There was no change in prices for this range of goods over the month for inhabitants of the Urals Economic Region.

In Moscow the range of 19 major foodstuffs rose by 10.4 percent during the month of June to R65,600. In St. Petersburg the same goods rose 5.1 percent to R57,400. In the list of cities that are being monitored Moscow moved from 34th place to 28th with St. Petersburg in 48th place (as against 49th a month ago).

New Customs Duties Not to Affect 3 Largest Cities

LD0807151694 Moscow INTERFAX in English 1314 GMT 8 Jul 94

[Text] Russian President Boris Yeltsin has decided that the new customs duties put in effect in Russia on July 1 will not touch on Moscow, St Petersburg or Yekaterinburg.

As Interfax has learned, the significant role in granting a break to these three cities was played by Moscow's Mayor Yuriy Luzhkov, under whose guidance the leaders of the three largest cities wrote a relevant letter to Yeltsin. Several days ago Luzhkov received the president's positive decision to make the new customs duties not effct these three major Russian cities.

New customs duties introduced from July 1 and providing for 5 percent higher tariffs, were approved by the government decision of March 10. They affect imported equipment and foodstuffs. Experts believed they could have caused serious problems with the supply of foodstuffs in Russia's three largest cities.

President Yeltsin instructed the government to enforce the decision.

Economic Forecasting Institute Releases Production Report

LD0807185194 Moscow INTERFAX in English 1603 GMT 8 Jul 94

[Text] The production slump in Russia, which in the first quarter of the year reached the lowest ever mark, has slowed down somewhat in the last few months, according to experts from the Institute of National Economic Forecasting of the Russian Academy of Sciences.

In a report entitled "The Economy of Russia in 1994," the experts say the Russian economy has entered a period of depression with an unstable equilibrium between a low level of production and the present inflation rate.

The production level in the first six months of the year was 26 percent down on that of the same period in 1993 and 50 percent down on that of 1990.

In the first quarter of 1994, the production level was 23 percent down on that of the last three months of 1993, but the level of the second quarter of 1994 was only 9 percent down on that of the first quarter.

The authors of the report expect that in the second half of the year production will on the whole stay at its present level. They estimate that by the end of the year industry will be working at a little over 40 percent of its capacity (engineering at 30 percent), while unemployment may reach 8 or 9 percent.

They believe that today's low level of tax revenue will swell the budget deficit from the present-day 10 to 14 percent, which will cancel out the success of the anti-inflationary measures and push up its monthly rate from today's 5 to between 13 and 15 percent.

Despite the government's plans to ensure a rapid growth of investment this year, the output of machinery and equipment will have fallen by the end of the year by at least 32 percent, as compared to the originally expected 17 percent, the report says.

It says Russia's economic revival is being blocked by a continuing investment crisis in its industry and the decay of its manufacturing industry.

Deputy Premier Predicts Grain Crops at 90-95 Million Tonnes

LD1107085594 Moscow ITAR-TASS in English 0804 GMT 11 Jul 94

[By ITAR-TASS correspondent Aleksey Filatov]

[Text] Moscow July 11 TASS--Russian grain crop this year will amount to 90-95 million tonnes, which, according to Deputy Prime Minister Aleksandr Zaveryukha, is "not bad".

In an interview with TASS on Monday, the deputy premier who is responsible for agriculture, played down fears that big territories will remain unsown this year because of lack of finances.

"Our own financial and material resources, state credits allowed producers to rather properly conduct the sowing campaign. The state of the crops in major agricultural regions of the country is mostly good", Zaveryukha told TASS.

Although, the planned 1994 figures are behind the 99 million tonnes of grain harvested last year, Zaveryukha said the crop will allow to continue reducing grain imports. Total sunflower crops are predicted at 3.2 million tonnes this year which is 0.4 million tonnes more than in 1993. The production of sugar beet, potatoes and vegetables is expected to remain at the 1993 level and amount to 29, 35 and nine million tonnes respectively.

"Thus, there is a good basis has been laid and now it is most important to be well prepared for harvesting", Zaveryukha said.

Gazprom Bids for Growing International Role

PM0807143394 Moscow TRUD in Russian 28 Jun 94 p6

[Report by special correspondent Gennadiy Yastrebtsov: "Yamal: Star of the 21st Century; Russia's Gas Offensive 'Threatens' Europe With Heat and Energy From Siberia"]

[Text] Milan-Moscow—When you fly at night over the Siberian tundra close to the Arctic Circle, it seems as if the starry sky has fallen down to earth: There are so many fires of gas fields beneath the wing of the aircraft. In these cold regions are powerful sources of heat and energy, supplying plants and heating towns and villages.

Even further north is a peninsula beyond the Arctic Circle whose short but sonorous name is now on the lips of geologists, gas workers, power engineers, economists, and businessmen from Russia and many other countries all over the world. Yamal is the star of the 21st century. Its rich natural resources are still waiting for their hour to come. But it will not be long before Yamal gas starts to flow.

The Yamal-Europe project was at the center of attention of participants in the World Gas Congress, held in Milan last week. This is natural, as Russia is a major supplier of natural gas. Our country now has at its disposal 36 percent of the world's gas reserves. The Gazprom Russian Joint-Stock Company supplies as much as 30 percent of the West European market's gas requirements and almost 100 percent of the East European market's requirements.

The speeches at the congress by Viktor Chernomyrdin, chairman of the Russian government, and Rem Vyakhirev, chairman of the board of the Gazprom Russian Joint-Stock Company, clearly indicated the idea of the need to further expand international economic cooperation, including the development of the world's energy industry, where natural gas, as the most environmentally clean raw material and fuel, is given a prime role.

The main region for gas extraction in Russia is still West Siberia, where 80 percent of known reserves are concentrated. According to forecast estimates, a level of 910-960 billion cubic meters will be reached in the year 2010. Specialists link a further increase in output to Yamal, where 10.2 trillion cubic meters of gas have already been tested at 25 different sites. Evidently, the maximum annual level on the peninsula will be no lower than 170 billion cubic meters.

Russia is also confidently moving onto the shelves of northern and Far Eastern seas. So far, 17 gas fields have been discovered. The most important are Shtokmanovskoye in the Barents Sea and Rusanovskoye in the Kara Sea. It is planned to develop the former in the near future. Its reserves will make it possible to supply consumers with 50 billion cubic meters of gas every year.

Naturally, journalists accredited at the congress in Milan were not so much interested in the technical problems as in the economic and financial problems encountered by the main exporter of natural gas.

"There are problems, of course," Rem Vyakhirev said. "The reason gas extraction levels have fallen slightly is that demand has fallen on the Russian domestic market and in the former Soviet republics, which in turn is a direct result of the general decline in industrial output and nonpayments by consumers, which now run into trillions of rubles. All this creates difficulties with regard to financing the construction of new installations and the modernization of existing ones."

The further north you go, the more difficult extraction conditions become and the more expensive the end product becomes. Hence the question of prices. If you take into account payment for transit through the territory of several countries, the situation could arise where our prices on the European market no longer cover our costs. But we cannot operate at a loss! Considering that the cost of gas released to consumers is considerably higher than the price at which it is sold on the border, efficient exports can only be achieved if the Gazprom Russian Joint-Stock Company becomes involved in the sale of gas to the final consumers.

We have had occasion to read in the Western press about a Russian gas offensive or even gas occupation of Europe. Some Russian publications have picked up this "hoax." In my view, however, we have engaged in normal, honest business. We invest money in the development of gas distribution systems abroad. We now sell gas on the border at wholesale prices, while the direct consumer in various countries is forced to pay four or five times more. In order to control retail networks, we have decided to acquire them. This will increase Russia's export revenue.

According to various expert assessments, it is anticipated that gas consumption in Europe in the year 2010 could reach 580-660 billion cubic meters. Meanwhile, Europe's ability to satisfy this demand with its own resources is limited. Russia, on the other hand, is perfectly capable of supplying such amounts.

In order to operate on the European market, the Gazprom Russian Joint-Stock Company has set up new structures in the form of trading centers, joint-stock companies, and joint enterprises. Structures like these have been established in Germany, France, Austria, Italy, Slovenia, Poland, and Greece. They reflect the qualitatively new level of our relations with the West....

A major partner of the Gazprom Russian Joint-Stock Company is the German joint-stock company Ruhrgas AG. I asked a member of the board, Dr. B. Bergmann, how Ruhrgas AG has reacted to the Russian side's present economic policy.

"Well, Gazprom has decided to participate not only in the extraction and supply of gas to the borders of its own

country, but also in its distribution beyond that point. This is a fact which must be taken into account. We are still a reliable partner of Gazprom and would like to continue as such, despite some rough edges, shall we say. I think they can easily be overcome: Business is business, after all. I personally believe that Gazprom is no less interested than our firm in expanding and strengthening cooperation with Ruhrgas. As far as increased competition between us is concerned, this problem is sometimes greatly exaggerated, including by the press...."

Great attention was devoted at the Milan congress not only to the question of extracting natural gas, but also to the problem of putting it to good, economical use; after all, we are talking about irreplaceable resources. This is where very broad opportunities for international cooperation are opening up. For years, Russia has cultivated the opinion that its natural resources are limitless and inexhaustible. This has led not only to a dangerous sense of complacency, but also to reckless wastefulness (there will be enough to last us until the end of the century, we say, with some left over for our grandchildren). Now, it seems, we are beginning to understand that we must economize and learn to count every ruble and every cubic meter. The following figures were given at the congress: The potential for saving energy is equivalent to no less than one-third of the total amount of energy consumed, and specialists estimate that 90-110 billion cubic meters of natural gas could be saved.

Calculations show that in Russia the cost of modernizing enterprises' fuel systems in order to reduce their gas consumption is far less than the cost of developing remote gas fields in the north. Together with Gaz de France, the Gazprom Russian Joint-Stock Company has embarked on modernizing the relevant equipment at a number of Russian enterprises, while Ruhrgas AG is doing a great deal of research in Rostov-na-Donu, Stavropol, and Samara, the purpose of which is to considerably reduce natural gas consumption in residential buildings.

In response to my question about direct foreign investments in the Russian gas industry, Rem Vyakhirev explained that, when implementing programs for its development, the Gazprom Russian Joint-Stock Company mainly looks to Russian producers of equipment, but the involvement of foreign firms cannot be ruled out. The Russian side is interested in direct foreign investments when it is a question of complex sites whose development requires the application of the latest technical and technological solutions and carries a certain degree of financial risk. This applies, in particular, to the lower productive levels of the Yamal gas fields and the Arctic shelf.

Rem Vyakhirev confirmed in Milan that Yamal gas will start to be supplied to Europe by the year 2000, via a new main pipeline crossing Belorussia [Belarus] and Poland. Western companies will be allowed to tender for working the gas fields.

Working on the basis of the European Energy Charter, the Russian side supports the idea of a general concept of an energy policy for a greater Europe, a common European gas market, and a transcontinental fuel and energy system for Europe.

Military & Space Issues

Cosmonauts Land After 6-Month Space Mission

LD0907111094 Moscow ITAR-TASS World Service in Russian 1050 GMT 9 Jul 94

[Text] Moscow, 9 Jul—Viktor Anasyev and Yuriy Usachev returned to earth a few minutes ago after spending exactly six months in space.

Grachev Opens Conference on Army's Future Development

PM0807182894 Moscow KRASNAYA ZVEZDA in Russian 9 Jul 94 p 1

[Report by Anatoliy Dokuchayev: "Russian Armed Forces of the 21st Century. Their Shape Is Being Decided Today"]

[Text] A military-scientific conference has taken place at the Russian Federation Defense Ministry in Moscow, to examine the avenues of development of the Armed Forces for the period after the year 1995. Those taking part in the conference included—in addition to the Armed Forces leadership personnel—Oleg Lobov, secretary of the Russian Federation Security Council; Sergey Yushenkov, chairman of the State Duma Defense Committee; and representatives of other state structures and the country's scientific centers.

The conference was addressed by Russian Defense Minister Army General Pavel Grachev.

He noted that the purpose of holding the military-scientific conference is to discuss possible avenues of the Armed Forces' development in the long term.

A constant analysis and quest for optimum solutions in the development of the Armed Forces, branches, and categories of troops is under way, but life itself constantly makes certain adjustments to our plans and intentions, the minister said. Thus, in 1992 we did not imagine we would be deploying military bases outside Russia, creating the Kaliningrad Defense Region, or beginning to reform the system of Air Defense and the Armed Forces and to strengthen the role of military districts.

Army General Pavel Grachev stressed that the economic recession and inflationary processes in the state have left their mark on the most important initial stage of organizational development of the Armed Forces. No one could have predicted that the strength of the Armed Forces would have to be reduced at such a rapid rate.

Shortcomings in financing defense needs were the cause of adjustments to the defense order for 1993 and 1994, and deliveries of arms and military hardware fell significantly.

All the same, despite objective difficulties, the defense minister said, we can neither postpone nor cease work on the long-term future of the further building and development of the Armed Forces. That is why particular significance is attached to this military-scientific conference.

A report on "The Results of the Organizational Development of the Armed Forces and Main Avenues of Further Development Through the year 2000" was delivered by Colonel General Viktor Varynkin, deputy chief of the Armed Forces General Staff. The discussion then began.

KRASNAYA ZVEZDA will report the conference's discussion of the military-economic preconditions and main avenues of the development of the Russian Armed Forces in detail in one of its next [blizhayshikh] issues.

Grachev Says Military Budget Cuts 'Criminal'

LD0807110494 Moscow ITAR-TASS World Service in Russian 1035 GMT 8 Jul 94

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow, 8 Jul—The decision to reduce the Russian army to 1,917,000 men by the end of the year will be implemented by 1 October. And by the end of 1996 it will be reduced to 1.5 million.

These figures were quoted to the ITAR-TASS correspondent today by Russian Defense Minister Army general Pavel Grachev just before a conference in the defense department which is to sum up the results of the two years of the existence of the Russian army and to discuss the future prospects for the construction of the Armed Forces.

"The plans that we had two years ago for reforming the army need to be rethought because of the financing which has been cut to below the limit at which we can exist, because of the shortage of personnel and because of the changes in the domestic political and foreign political situation and other changes," the minister said.

Pavel Grachev described as "ruinous" and "criminal" the reduction in the military budget, which he said would lead, if not to the destruction of the armed forces' combat and mobilization readiness, then at least to a significant fall in its level. If the army and the defense industry are financed from extra-budgetary funds, it will still be possible to hold our ground, the minister thinks.

Another fundamental issue, in the minister's opinion, is the switch to a new structure for the armed forces by the year 2000, under which they will be divided into four branches: the Strategic Deterrence Forces, the Air Force, the Navy and the Ground Forces. Beyond 2000, the armed forces could move to a three-branch structure: it is proposed to merge the Air Force and the Strategic Forces into Air-Space Forces [vozdushno-kosmicheskiye sily].

"Despite the present difficulties and problems, we can neither postpone nor stop reform of the armed forces, so particular importance is attached to this conference," Pavel Grachev stressed.

Most Defense Firms Stop Military Production

MK0907080094 Moscow SEGODNYA in Russian 9 Jul 94 p 1

[ITAR-TASS report: "Most Military-Industrial Complex Enterprises Stop Military Equipment Production"]

[Text] Anatoliy Breusov, chairman of the executive committee of the Association of Defense Sectors of Industry Trade Unions, has stated: "We have received a budget that pays for only 30 percent of the defense order. The state's arrears in payment for the already completed state order in the first half of 1994 tops 4 trillion rubles. Starting in July most enterprises that have already completed the state order are discontinuing the production of everything related to military equipment.

'Large Batch' of Weapons Stolen From Depot

LD0807222094 Moscow ITAR-TASS World Service in Russian 1421 GMT 8 Jul 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Excerpt] Moscow, 8 Jul—A large batch of weapons has been stolen from a Russian Federation Defense Ministry depot. An operation has begun to find the criminals.

During an inspection of a depot in one of the ministry's units on 7 July, it was discovered that 22 Kalashnikov sub-machine guns, 34 Makarov pistols, six grenades with fuse assemblies, and several thousand live cartridges had been stolen, an ITAR-TASS correspondent learned at the Russian Interior ministry today. A search is under way for the ensign in charge of the depot, who is suspected of involvement in the crime.

According to more precise information from the press center of the ground troops of the Russian Federation Armed Forces, the incident occurred at a district depot in the Leningrad military district. The theft was discovered during a routine inspection. [passage omitted]

Federal Assembly

Duma Amends Law on Land Sales

LD0807140594 Moscow Radio Rossii Network in Russian 1300 GMT 8 Jul 94

[Text] Today the State Duma introduced amendments and addenda to the RSFSR law on payment for land.

They are envisaged in the corresponding Russian Federation law which was adopted as a whole.

According to the document, tax rates for plowland of agricultural enterprises in federation components will amount from 550 rubles per hectare in Murmansk Oblast to 4,950 rubles in Krasnodar Kray. The law raises land tax in towns and settlements for private individuals by 50 times compared to the base level established in 1991. The tax on land given to citizens for private construction and private plots will amount to no less than 10 rubles per square meter. In rural settlements, gardening and livestock-breeding associations land tax is set at five rubles per square meter.

Government Confidence Motion Fizzles in State Duma

MK0907100094 Moscow KOMMERSANT-DAILY in Russian 9 Jul 94 p 3

[Report by Veronika Kutsyllo: "Travkin's Card Used in Vote on Government Resignation"]

[Text] The State Duma, successor to the Russian Supreme Soviet, has also succeeded to the favorite voting of the Russian Supreme Soviet deputies—on confidence in the government. Yesterday, 175 deputies said nay and 78 aye to the proposal to include this question on the agenda. With a little help from his fellow deputies, who availed themselves of the other deputies' electronic voting cards much in the parliament's tradition, Nikolay Travkin, a minister, appeared among those opposed to the government.

The proposal to include on the agenda the Supreme Soviet's specialty question came from a Communist Party of Russia deputy. Mikhail Mityukov, who chaired the proceedings, explained to him, however, that such things are not to be proposed by individual deputies. The Liberal Democrats [LDPR], offended by the government and the president, came to the rescue of the lone communist and took just three minutes to formulate the faction's general opinion, signed by Mr. Vengerovskiy. (Incidentally, LDPR members are still talking about withdrawing their faction's signature from the Treaty on Social Accord even before the summer session ends on 25 July).

Under the rules of procedure, a demand to include a question on the agenda on behalf of a faction is to be satisfied on a first- priority basis. Nevertheless, Mityukov confused the deputies so much that many could not understand until the end of the voting what they were fighting for: to discuss the question, or to ask the government to step down. At any rate this does not matter much, for it is known from the Supreme Soviet's experience that the number of those voting for the resignation matches the number of those voting for discussing it. And the number of votes was short of the target all the same.

Funny, the roll-call voting printout shows that communists Bratishchev and Ilyukhin voted "against" on this question, whereas Nikolay Travkin, a cabinet member, voted "for." Bratishchev did not explain his choice while Ilyukhin vaguely stated that the "question is too serious." Travkin, for that matter, could not say anything at all because he was absent from the Duma yesterday. As a result, cabinet members now have a quaint opportunity to fault him with being undiscriminating in his connections: "You trust the wrong folks with your card, minister, oh, how very wrong...."

Duma Kills Glazyev 'Noncommercial Organizations' Bill

MK0807095094 Moscow NEZAVISIMAYA GAZETA in Russian 8 Jul 94 p 2

[Report by Indira Dunayeva under the "Parliament" rubric: "The Deputies Did Not Listen to Glazyev. Noncommercial Organizations Do Not Get New Legal Bases"]

[Text] The State Duma yesterday once again did not approve a draft federal law "On Noncommercial Organizations," which this time around was presented by Sergey Glazyev, chairman of the State Duma Economic Policy Committee. In his report he tried to prove that organizations active in the field of science, culture, education, and health services found themselves unprotected in conditions of inadequate state subsidies, and that there should be a law to regulate their economic activity to help them compete and survive.

"One cannot rely on charity alone. And it is impossible for noncommercial organizations to survive on the same terms with commercial ones, because funds are concentrated precisely in the commercial sphere," Mr. Glazyev stated. The law speaks only about general terms of provision of preferences. The activity of concrete scientific, religious, and other organizations ought to be specified in other laws.

The draft of this law calls for a number of restrictions. For example, once tax breaks are granted participants in noncommercial organizations should have the growth of their pay capped, and its founders should not get the organization's property after its liquidation.

The law was not passed, however, with 206 State Duma deputies voting for it. It is to be recalled that this law has been discussed since 1990 and passed its first reading at the Supreme Soviet. Deputy Mikhail Snezhkov, Liberal Democratic Party of Russia, stated during the discussions that "they were going to pass this law during socialism in order to steamroll capitalism." Yuriy Sokolov, Agrarian Party of Russia spokesman, said that this law eliminated municipal property: "More funds should be left in the regions, and let the schools and hospitals be financed by the organs of local self-government."

Yavlinskiy Criticizes Chubays Speech in State Duma

LD0807175094 Moscow INTERFAX in English 1603 GMT 8 Jul 94

[Text] The leader of the Yabloko faction Grigoriy Yavlinskiy told Interfax today that the speech in the State Duma on Thursday of Deputy Russian Prime Minister Anatoliy Chubays had prevented the adoption of the law on post-voucher privatization at first reading.

Yavlinskiy said the bill could well have been passed by the Duma on July 7, as it would have been backed by Yabloko, Russia's Choice, Women of Russia, the Russian Party for Unity and Accord, the Democratic Party of Russia, the deputy groups New Regional Policy and the December 12 Liberal-Democratic Union.

Yavlinskiy accused Chubays of trying to cause a split between the State Duma and the president by forcing Boris Yeltsin to introduce the privatization program by decree.

He also accused Chubays of having a Bolshevik approach to problem solving.

He suggested that by making sure the Duma was against him, Chubays wanted to avoid the introduction of changes to the draft privatization program, a program which, according to Yavlinskiy, is on the whole correct.

A leading member of the agrarian faction Gennadiy Kulik told Interfax that his faction would insist on setting up a joint government-parliament working group to finalize the privatization program. He said that he does not see anything wrong in the program being implemented a month or two after its planned commencement on July 1.

The State Duma plans to continue debating the draft law next Wednesday.

Kulik said that if the document is legalized not by law but by decree the responsibility for the second stage of privatization will be placed on Yeltsin and Chubays.

He said that Chubays' obstinacy and unwillingness to listen were prompted by his desire to make the Duma react negatively to the bill.

Lukin Sees Duma Review of 'Partnership' as 'Legal Nonsense'

MK0907082094 Moscow SEGODNYA in Russian 9 Jul 94 p 2

[Report by Petr Zhuravlev in the "International Life" column: "The Duma Will Discuss Ratification of Partnership for Peace. The Deputies Hope That Next Year Russia Will Become a Member of the Council of Europe"]

[Text] Vladimir Lukin, chairman of the Duma International Affairs Committee, yesterday said a bill will be submitted to the house about the need to ratify the Partnership for Peace agreement signed by Russia. The bill has been drafted by a group of deputies led by Vladimir Isakov (Agrarian Party of Russia faction) which apparently counts on thwarting ratification.

Lukin said that he considers the issue of ratifying Partnership legal nonsense because NATO "is not a subject of international law" and therefore the agreement on cooperation with it may not be regarded as a document subject to approval by parliament. At the same time Lukin, by his own admission, is opposed to Russia's signing the agreement or rather the way the signing was effected. The head of the international committee several times used, with some exasperation, the word "merry-go-round" when "one minister would state that he would go to Brussels, and then another" while the question of signing would disappear only to resurface again. Lukin stressed that no consultations were held between the Foreign Affairs Ministry and the Duma committee, and therefore "there can be no question about normal cooperation." In discussing the bill on the need to ratify Partnership at the State Duma Council, Vladimir Lukin proposed instead to invite the foreign minister to the session and demand a detailed account from him. However, Lukin noted, "my eloquence was insufficient."

Meanwhile another participant in yesterday's press conference at the International Affairs Committee—Committee Deputy Chairman Aleksandr Dzasokhov—reported on the Duma delegation's participation in the work of the 45th session of the Interparliamentary Assembly of the Council of Europe. According to Dzasokhov, his colleagues have developed "a positive general impression" about the situation in Strasbourg. "We confirm the forecast that next May will see consideration of the question of Russia's admission to the Council of Europe," he stressed, adding that "our joining the EC is not a lever which will resolve all our problems," but should be regarded as a prerequisite for international cooperation. Among the countries favorably disposed toward Russia Dzasokhov mentioned Finland and the Scandinavian states, France, Greece and, to a certain extent, the FRG. The deputy committee chairman did not say anything about those countries that relate differently to Russia. According to Vladimir Lukin, these countries believe that "the further in the West a state is positioned, the more civilized it is."

Regional Affairs

Moscow City Government Adopts Law, Order Resolution

LD1107095394 Moscow Mayak Radio Network in Russian 0243 GMT 11 Jul 94

[Text] Moscow's government has adopted a resolution on measures to strengthen law and order and step up the fight against criminal gangs and other forms of organized crime. The administration is to ask the Moscow City

Duma within the shortest time to extend point one of the president's decree to apply to all serious crimes committed in the city by organized criminal groups. If the Duma gives its assent, the militia will have the right to take citizens who have no documents to the militia station or to put in them in reception and allocation centers for a period of up to 30 days, in order to establish their identity; and also to take fingerprints and photographs of persons who have been detained for breaching the passport regulations. Restrictions will most likely be placed on juveniles under 16 years of age being out on the streets and in public places after 2200 without their parents. The issuance of Moscow residence permits to persons convicted of serious crimes, unlawful actions involving weapons, ammunition, explosive substances, and narcotics will be severely restricted.

Moscow's government has also ratified a package of measures which does not require Duma assent. The issuing of permits for opening stores in the city to trade in weapons is being temporarily suspended. Restrictions are being introduced on the arrival of refugees in the capital. In July and August full-scale inspections of workers' hostels belonging to enterprises and government departments will be carried out.

Muscovites who systematically violate the regulations for use of housing accommodation will have something to think about, too: the accommodation will be confiscated from them.

The relevant enforceable enactments are currently being drawn up.

The gambling business will have to pull in its horns, too. From now on there must be no more than three casinos in each administrative district, and no more than five in the central district. By the end of the year all enterprises under various forms of ownership are to be reregistered; reregistration will be carried out only on presentation of certificates issued by the internal affairs bodies at the place of residence, which confirm the authenticity of the passports of the managers and sponsors of the enterprises. These latter are obliged to register in person.

Moscow Mayor Yuriy Luzhkov has also submitted for consideration by the city Duma a draft law on the conditions for temporary stays in Moscow by citizens permanently resident outside the Russian Federation. According to this document, a fine of up to 50 times the minimum wage is imposed on those staying in the capital for more than 24 hours without registration; and a fine of up to 100 times the minimum wage on those staying for more than three days after the previous penalty was imposed. For the latter infringement, a visitor to the capital may be detained for a period of up to 30 days during which time he may be required to do compulsory labor, and then be expelled from Moscow.

Such are the main provisions of the resolution on measures to strengthen law and order in Moscow and step up the fight against organized crime. The indications are that Moscow's government has gone even further than the presidential decree.

Yeltsin Congratulates New Buryatia President

LD0807155794 Moscow INTERFAX in English 1444 GMT 8 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] Russian Leader Boris Yeltsin on Friday sent a message of congratulations to Leonid Potapov following his election as President of the Republic of Buryatia. "I hope your experience and professional skills will help towards the build up of Russian statehood, implementation of reform goals and consolidation of friendship and good relations between the Russian and Buryat peoples", his message runs.

On the same day, Yeltsin sent a message of greetings to the workforce of Ural car manufacturers at Miass (Chelyabinsk region) who mark 50 years since the production of the plant's first automobile.

Chuvash Parliament Elects Communist as Speaker

MK0907081094 Moscow SEGODNYA in Russian 9 Jul 94 p 2

[Report by Yelena Tregubova under the "Republics" rubric: "Chuvash Parliament Elects a Communist as Speaker. State Council Head Plans To Support the Military-Industrial and Agro-Industrial Complexes"]

[Text] The second session of the State Council—the newly elected parliament of Chuvashia—is due to open in Cheboksary in a few days. In the first session the people's choices already elected themselves a chairman—Valentin Shurchanov, leader of local communists. Aleksandr Kushkov, the republic's former agriculture minister, and Svetlana Marinova, "protege of the Chuvashia president's staff" have become his deputies. Such leaders are quite in line with the nearly absolute majority of communists and agrarians that has taken shape in the State Council.

In the view of local democrats and like in the rest of the Russian hinterland, the leftists won the most seats "taking advantage of the generally low electoral activism of citizens and the high election discipline of their electorates—people of pension age." The democrats believe that Chuvashia President Nikolay Fedorov had deliberately "influenced society in such a way that people should not go to the polls." Besides, they admit they made a mistake campaigning only in Cheboksary and the other major towns, "giving up" the countryside to the agro-communists. As for the shaping of electoral districts, they were formed not only on the territorial but also on the administrative principle. As a result only one

candidate went through to the State Council in each administrative center where democrats were traditionally strong.

The State Council deputies name as their main task to hammer out the republic's constitution. Speaker Valentin Shurchanov has no doubt that the people's choices will come up with a "real constitution" under his guidance. He also stated that the privatization laws "will be brought into line with the interests of the working people" during the coming State Council sittings. The head of Chuvashia State Council and his fellow thinkers also promise "to come to grips with providing state orders for the nucleus of the republic's industry—the military-industrial complex."

Their short-range priority objectives, however, are more "down- to-earth." The deputies plan to secure additional funds for local agriculture from the federal budget for the harvesting season "because there is no money in the local budget." It is still unknown what the federal government is going say about such plans.

Regions Press for Greater Autonomy, Equality

MK0807101094 Moscow SEGODNYA in Russian 8 Jul 94 p 2

[Report by Yelena Tregubova in the "Federalism" column: "The Senators Insist on Equality of the Regions. Administration Chiefs Ask To Retain the Bulk of Taxes"]

[Text] Participants in the seminar at the Federation Council on the subject "Building a Federal State: the Experience of Different Countries" have come to the conclusion that problems of "federalism" in today's Russia add up mainly to the need to implement a decisive economic reform.

Thus, Vladimir Mokryy, Samara Oblast deputy administration chief, assured his interlocutors that if the Center did not take up to 70 percent of the "regional" taxes but on the contrary allowed them to keep 60-70 percent, "many of the territories would be able even now quite independently to deal with all of their socioeconomic problems." It is with this distribution of taxes that the formula "a politically strong Center—economically strong regions" could be implemented, Mokryy is convinced. In his opinion, "political" separatism begins in those regions that are not satisfied with their economic powers.

According to seminar participants, another reason for "separatism" is that the Center is no longer able to feed subsidized enterprises in the regions but nonetheless does not allow them to corporatize or to modernize production.

The statement by Moscow Legal Academy Professor Nadezhda Mikhaleva that "the Western experience should be treated critically because Russia has yet to show to all its unique model of federalism" was received with a fair degree of irony. Vyacheslav Seregin, representative of the Federation Council's Federal Affairs Committee, assured that "there is general world experience that a civilized state cannot afford to ignore." Senate committee members are convinced about the need for a clear-cut legislative formalization of equal rights of absolutely all regions in their interrelations and their relations with the federal Center, "which would exclude the possibility of certain privileges being solicited by individual regions."

Legislation Institute Professor Boris Krylov stressed that the difference in the cost of the consumer basket in particular regions today is 1:3.5. According to Krylov, which view is shared by the majority of seminar participants, the sole method of guaranteeing economic equality of all regions and citizens of Russia is consistent economic stabilization in the country.

Main Points of Local Self-Government Draft Law

MK0907090094 Moscow SEGODNYA in Russian 9 Jul 94 p 2

[Report by Gleb Cherkasov in the "People's Power" column: "The 'Local Community' Can Deal with Local Matters Itself. If Local Authorities Have Enough Money for That"]

[Text] The working group created on orders from the Russian Federation president's chief of staff has drafted a law On General Principles of Local Self-Government Organization in the Russian Federation. The document has already been approved by the Economy, Justice, and Finance Ministries, and the Presidential State Legal Directorate.

According to the draft, local self-government is understood as "a form of people's power ensuring the population the possibility independently, and on their own responsibility, to decide on matters of local importance." Local self-government is to be based on principles of "observing the rights and freedoms of individuals and citizens, recognizing the local community's own powers; the organizational autonomy of its bodies in the system of state administration and interaction with state power bodies in exercising general functions and tasks; the responsibility of local self- government bodies and officials before the local community," and so forth.

The local community is defined as the "population living on the territory of urban or rural settlements, united by common interests in resolving local matters." It is noteworthy that a citizen living in another place but "owning real estate in this particular territory, paying taxes to the local budget, and wishing to participate in local community affairs" may also become a member of the "local community."

The territory of a local community, established by the state power bodies of Russian Federation components, taking into account the opinion of the population within historically developed residential borders, comprises all

lands of this settlement regardless of their ownership status or designation. The economic foundation of local self-government is constituted by natural resources, real and movable municipal property, local budget funds, and other property. The financial foundation of local self- government should be the local budget, securities, credit, and other financial resources. Local self-government bodies may create financial and credit organizations and establishments, including those using local budget funds.

Under the draft law, the basic matters of local importance are matters of "ensuring the activity of the local community and providing services to its members," namely: "a comprehensive socioeconomic development of the territory and a rational use of lands," housing and public utilities, provision of amenities, and so forth. Furthermore, the powers of the local community may include "separate state powers entrusted to local self-government bodies by the law or delegated by state power bodies on a contract basis." It should be noted that "in the event that these powers are not backed up by material and financial resources," local self-government bodies are not responsible for the execution of these powers.

Local self-government bodies will not constitute part of the state power bodies system but otherwise they will enjoy all the rights and obligations of power structures: approval of the local budget, imposition of local taxes and charges, procedures for disposing of local property, and so forth. The principles of interrelations between state power bodies and local self-government bodies are established by the state power bodies of respective Russian Federation components. Procedures are envisioned for concluding agreements and contracts, including on separation of powers.

In order to move over to a local self-government system and create "local communities" where they have not as yet been formed, and so forth, the draft provides for the establishment of a transition period of two years following the adoption of the law.

Ossetian, Caucasian Leaders Discuss Conflict Zone

LD1007092794 Moscow ITAR-TASS in English 0721 GMT 10 Jul 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz July 10 TASS—Reports coming in from the zone of the armed North Ossetian-Ingush confict show that the situation there is stable. According to an earlier Russian president's decree, a state of emergency was prolonged there till July 31.

These reports are confirmed by information from military sources. The Russian peace-keeping forces, cooperating with local law enforcement bodies, fulfill tasks on maintaining the state of emergency regime.

North Ossetian Parliament Speaker Yuriy Biragov, Commander of the North Caucasian Military District Alexey Mityukhin, Chief of the Vladikavkaz Garrison Vladimir Kulakov and North Ossetian Interior Minister Georgiy Kantemirov, who met in Vladikavkaz on Saturday, concentrated on improving cooperation between forces assigned to the temporary administration in the conflict zone and North Ossetian law enforcement bodies.

Attaching great importance to the need for taking legitimate measures to maintain the state of emergency regime, the North Ossetian speaker pointed to the necessity to create an atmosphere of greater cooperation between peace keepers and local population in order to establish peace and accord in the North Caucasus.

Regions Report Outbreaks of Cholera, Other Illnesses

LD0807121394 Moscow INTERFAX in English 1033 GMT 8 Jul 94

[Text] Amid reports of an outbreak of cholera in Russia's southern autonomy of Dagestan, 45 cholera cases have been registered in three regions there, 27 of them virus carriers. Medical workers are taking all necessary measures and the situating is under control, officials of the ministry for emergency situations told Interfax.

The ministry also reports of an outbreak of stomach diseases in Petropavlovsk-Kamchatsky where a total of 60 local residents were taken to hospital on complaints of stomach trouble, high temperature and headache caused by salmonelosis. Medical experts pinpointed the locally-produced mayonnaise as the source of infection.

The ministry is also in control of the situation in the city of Votkinsk, Udmurtia (the Volga Region), following reports of an outbreak of dysentery there on Thursday, and in the village of Zamanilovka of Kurgan region where several people were taken ill with leptospirosis. All of the patients are in a satisfactory state. No word is given of any new cases.

Novosibirsk Oblast Soviet Meets

944F0915A Novosibirsk SOVETSKAYA SIBIR in Russian 7 Jul 94 p 1

[Unattributed report: "Fourth Session of the Novosibirsk Oblast Soviet of Deputies: Informational Report"]

[Text] The regular fourth session of the Novosibirsk Oblast Soviet of Deputies convened 6 July. The session examined matters of the lawmaking activity of the representational organ of power.

A.N. Sychev, chairman of the oblast soviet of deputies, opened the session and stated that 32 deputies were present, enabling the session to decide issues.

During confirmation of the agenda, most of its points elicited no objections. Point 4—"On the Draft Law on Local Self-Government in Novosibirsk Oblast"—presented a unique stumbling block. A number of deputies expressed doubts regarding the possibility of this law being adopted at the session without preliminary discussion in committees, commissions, and groups of experts. But taking into account the importance of the law, which the localities are impatiently awaiting, it was decided to conduct a preliminary discussion to determine the procedure for adoption.

V.Ye. Kuznetsov, chairman of the Committee on Legislation and Interaction With Organs of Local Self-Government, Political Parties, Social Movements, and the Mass Media, presented a report on work accomplished in drafting the Law "On Supporting the Activity of Deputies of the Novosibirsk Oblast Soviet of Deputies."

The committee found to be unconvincing corrections and comments on the draft (for which the first hearing was conducted previously) by the head of the oblast administration, the main purport of which indicated the need for local laws to be coordinated with federal laws and conform to the Russian Federation Constitution—since in the committee's opinion the draft did not contain any contradictions to existing legislation, and the Federal Treaty of the Russian Federation extends the right to Russian Federation entities to carry out legislative activity.

The session adopted the draft law in the second reading and sent it to the head of the oblast administration for examination.

The statute on committees and commissions of the oblast soviet of deputies was ratified.

P.N. Isayev, member of the Committee on Legislation, presented information on this issue. Additions were made to what had been proposed previously. Specifically, the quorum of committee members required for a discussion of issues was reduced from two-thirds to one-half of the members. The rights and official responsibilities of deputies working on a permanent basis were more precisely "prescribed." Deputies confirmed a rough-outline program of the draft-law work of the oblast soviet, first convocation.

Deputy P.N. Isayev provided information on the concept of the draft Law "On Local Self-Government in Novosibirsk Oblast," and on procedure for its drafting and adoption.

A decision was adopted to extend the period for drafting this law.

The session adopted the Law "On Legislative Activity in Novosibirsk Oblast," ratified the training plan for deputies and the oblast soviet apparatus, and inserted amendments to the Statute "On Rates of Tax for Certain Varieties of Income Profits, Tax on the Property of Enterprises and Organizations, and State Duty for the Registration of Enterprises With Foreign Investments."

The session examined other issues regarding support for the lawmaking activity of the oblast soviet.

At this point the session concluded its work.

International Affairs

Officials Interviewed on G-7 Aid to Ukraine

Foreign Political Adviser Kravchenko

LD0907204894 Kiev UT-1 Television Network in Ukrainian 1600 GMT 9 Jul 94

[Text] As a UKRINFORM correspondent learned from unofficial but trustworthy sources, today in Naples at 1700 GMT the G-7 will make a decision on granting 5 billion U.S. dollars in aid to Ukraine [figure as heard]. This aid is channeled to the implementation of the economic reforms and does not include the so-called Chernobyl contribution, which will be an added contribution.

A Ukrainian TV news correspondent interviewed Valeriy Kravchenko, foreign political adviser to the president of Ukraine, today.

[Begin recording] [Kravchenko] First, this is tremendous financial support. Five billion dollars is a huge amount of money that can be used by Ukraine, first and foremost, to create a stabilization fund for the hryvna, for the creation of our own Ukrainian currency. Also, it can be used for the intensive structural reorganization of Ukraine's economy and, most importantly, for the radical improvement of our people's life.

However, there is another more purely political aspect. This is support for the actions of Ukrainian President Leonid Makarovych Kravchuk, support for the market-oriented course. I am convinced that we can already witness today that this is a balanced, coordinated course by the president, the new Prime Minister Vitaliy Andriyovych Masol, and the Supreme Council Chairman Oleksandr Oleksandrovych Moroz, geared to boosting the implementation of market reforms in Ukraine. I believe that it is exactly because of their coordinated actions, because of the sincerity of their declarations, that we have achieved such a great result as the proposal that was submitted for consideration of the G-7 by the president of the United States of America. [end recording]

Deputy Foreign Minister Makarenko

LD0907190994 Kiev UT-1 Television Network in Ukrainian 1800 GMT 9 Jul 94

[Text] [Announcer] Good evening, dear TV viewers.

The main event of today is the granting of the largest sum of economic assistance on the part of leading countries of the world. Ukrainian Deputy Foreign Minister Oleksandr Makarenko granted an exclusive interview to Ukrainian TV news on the results of the G-7 meeting in Naples.

[Begin recording] [Makarenko] A decision has been made on extending economic aid to Ukraine within two years in the amount of $4 billion for the purpose of carrying out reforms geared to the structural reorganization of our economy.

[Unidentified correspondent] Four billion dollars. Today this is probably the most important news for our state. However, why is it 4 billion and why is it granted within a period of two years?

[Makarenko] Well, you know that U.S. President Bill Clinton arrived in Naples with a proposal on extending this aid to $5 billion. So far we have no additional information about the course of the discussion on this issue. It took place behind closed doors and we do not know what led to decreasing this sum to 4 billion.

However, apart from this, a decision was made on extending specialized aid in the amount of $200 million for decommissioning the Chernobyl nuclear power station and commissioning additional power units at other nuclear power stations of Ukraine, first and foremost, Khmelnitskiy, Rovno, and Zaporozhye nuclear power stations.

[Correspondent] Where will the 4 billion, that is the main sum, be channeled to?

[Makarenko] The $4 billion will be granted only for special programs and projects that the Ukrainian Government will coordinate with the International Bank for Reconstruction and Development and the International Monetary Fund.

[Correspondent] In other words, you have in mind the market reform projects, liberalization...

[Makarenko, interrupting] Undoubtedly, liberalization of the economy, the introduction of Ukraine's own currency, structural reorganization, conversion, programs for the social protection of the population, and so on.

[Correspondent] It is important to emphasize this so that one would not think that we will get this $4 billion and do with it whatever we like.

[Makarenko] No, I would like to say that Santa Claus will not come with a sack full of $4 billion.

[Correspondent] Although Santa Claus [words indistinct]. What does the political image of Ukraine win after the sum has been granted in Naples?

[Makarenko] I would like to say that of late, as of December last year, there have been radical positive changes to Ukraine's image in the world. Countries, first and foremost industrially developed countries of the world, pay ever growing attention to Ukraine, to the economic and social problems that exist today in our country and their attitude becomes ever more favorable. And this, undoubtedly, is the great victory of the Ukrainian diplomacy. [end recording]

G-7 Communique Offers Aid, Seeks Economic Reforms

LD0907202394 Moscow ITAR-TASS in English 2015 GMT 9 Jul 94

[By ITAR-TASS special correspondents]

[Text] Naples July 9 TASS—Leaders of the group of Seven highly industrial nations on Saturday offered 4 billion dollars of aid to Ukraine in return for a commitment to economic reform and an additional 200 million to close down Ukraine's Chernobyl nuclear power station, the site of the world's worst nuclear disaster.

Before its next summit in Canada, the G-7 plan to put together an international conference, "Partnership for Reforming Ukraine's Economy".

The leaders of the G-7—the United States, Japan, Germany, France, Britain, Italy and Canada—said they were deeply concerned about the economic situation in Ukraine, the second largest republic in the former Soviet Union.

In an economic communique on Saturday, the G-7 countries declared, "We want to see a stable and independent Ukraine". They also expressed hope that Ukraine would shortly join the Non-Proliferation Treaty as a nuclear-free power.

The G-7 urged Kiev to implement quickly structural reforms, including price liberalisation and privatisation. "Genuine reform is the only way to improve the economy", it said.

In the communique, the G-7 declared, "with a renewed commitment to comprehensive market reform, Ukraine could gain access to international financing of over 4 billion dollars in the course of a two-year period following the commencement of genuine reform". The funds and loans are to be granted by the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development, and some other financial institutions.

The communique also stressed that closing down the Chernobyl nuclear power station was an "urgent priority". With this in view, the G-7 proposed a five-year action plan for the closure of the Chernobyl plant. The plan provides, in particular, for construction of three new reactors with appropriate safety standards, a global reform of the energy sector and use of new sources of energy.

The European Union, at a summit in Corfu, Greece, in June, had already offered to support the project.

The G-7 said, "as a further step, we are ready to provide for the action plan an initial amount of up to 200 million dollars in grants". Additional grants are to be extended by international lending organizations, the leaders added.

Kravchuk Says G-7 Aid Not Enough

LD1007121294 Moscow Radiostantsiya Ekho Moskvy in Russian 1100 GMT 10 Jul 94

[Text] The G-7 meeting in Naples has decided to grant Ukraine 4.2 billion dollars to resolve problems connected with the closure of the Chernobyl atomic energy station, German Foreign Minister Klaus Kinkel has said.

And at a polling station in Kiev today, Ukrainian President Kravchuk said that the G-7 aid was a good thing but would hardly be enough.

Welcomes G-7's 'Far-Sighted' Decision

LD1007155294 Moscow ITAR-TASS World Service in Russian 1508 GMT 10 Jul 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 10 Jul—"The fact that Ukraine has been recognized as a major European democratic state is very important for us. It is a far-sighted decision on the part of the G-7 countries," Ukrainian President Leonid Kravchuk told ITAR-TASS today.

He expressed gratitude to the leaders of the major industrialized countries for having discussed Ukraine's problems separately. In his view, "another hope-inspiring fact is that the G-7 intends to return to the Ukrainian issue at the forthcoming ministerial meeting in Canada in the autumn."

Kravchuk believes that a representative from Ukraine should take part in this meeting in order to state its problems directly. In his words, "all the information should be heard from the primary source, from someone who can state the country's position and clarify the existing state of affairs."

At this stage, the decisions made by the G-7 are of great importance not just for Ukraine but for Europe and the whole world, the Ukrainian president noted.

Kravchuk Says CIS Must Not Be Disbanded

LD1007124594 Moscow ITAR-TASS World Service in Russian 1218 GMT 10 Jul 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 10 Jul—"There can be absolutely no talk about Kiev leaving the CIS in spite of the fact that it is not a really very viable structure," Ukrainian President Leonid Kravchuk said today during the casting of votes in the Ukrainian presidential elections. "The structures of authority in each of the CIS states are not functioning very well so far. And the quality of the decisions they make do not always meet the present day requirements. This is also the 'illness' of the CIS as a whole," he pointed out.

Nevertheless, Kravchuk thinks that by no means should the CIS be disbanded. "Simply, one should search for ways to make the functioning of the CIS more efficient," the head of the Ukrainian state pointed out.

Kuchma on Internal Politics, Relations With Russia

MK0807110094 Moscow OBSHCHAYA GAZETA in Russian No. 27/52, 8-14 Jul 94 (Signed to press 7 Jul) p 1

[Interview with Leonid Kuchma, presidential candidate and former prime minister, by Grigoriy Spektor: "Leonid Kuchma in Expectation of the Presidency or a Monument for Himself"]

[Text] [Spektor] Ukraine mass media are laying the blame for all economic woes on the Leonid Kuchma team....

[Kuchma] I have had no possibility to create a team of associates, like-minded individuals, without which it is very difficult to work in a critical situation. I was deprived of this opportunity. As for the "extremely unlimited powers" that the press of my political rivals likes to talk about so much, they were virtually nullified by the actions of "all the president's men."

[Spektor] You have mentioned the press. And what is your attitude to Ukrainian TV?

[Kuchma] It is a one-man show. Surely you can guess the man's name? Obviously it is Leonid Kravchuk.

[Spektor] Your rival, addressing the electorate, talks about his internal political success stories. And you talk about internal problems.

[Kuchma] At present Ukraine's financial condition is critical. I think that Prime Minister Vitaliy Masol should, as a matter of urgency, publish a report on the country's financial situation. And officially proclaim Ukraine a bankrupt state. Its industry has been devastated by Kravchuk's activity. We have no funds to pay Russia for energy supplies.

[Spektor] What would be the first edict Ukrainian President Leonid Kuchma would sign?

[Kuchma] On tax liberalization. Incidentally, the most liberal tax policy toward producers was in effect under my government.

[Spektor] Did you file a tax return yourself?

[Kuchma] I sure did! Especially since efforts have been made to discover each paper signed or written by Kuchma during his entire life and scrutinize it for possible compromising material. My own Yuzhniy machine building factory (in Dnepropetrovsk) is the world's largest unique production complex designing and manufacturing strategic, space, and cruise missiles. Kuchma has worked there for 28 years—from engineer to general director. Therefore over the past year and a half the factory has been inspected a dozen times in search of compromising material against me, harassing its entire collective. I am sure that it is simply imperative to create a responsible and authoritative parliament commission to check the performance by all governments of sovereign Ukraine.

[Spektor] And yours?

[Kuchma] Prime Minister Leonid Kuchma, in 1993, the most difficult year for Ukraine's economy, after some very serious economic and political mistakes by our leadership; after an unwise and ill-conceived withdrawal from the ruble zone which placed Ukraine's economy, uncompetitive on the world market, before the need to operate using world prices; in the context of runaway inflation and production decline, did not allow Ukraine's national economy to be finally devastated and plundered. You'll see: Posterity will put up a monument to Prime Minister Kuchma for this.

[Spektor] Can a "red director," a former party committee secretary, be a convinced advocate of market economy?

[Kuchma] A "red director" is above all a director who is really concerned about his business. How one had to blush if the production target was not met by at least one percentage point or the schedule was broken by at least one day....

As for communist ideals, they are eternal. They are rooted in eternal universal human principles which also underlie the tenets of Christianity. Should they be abandoned?

[Spektor] What is your attitude to Russia?

[Kuchma] Very favorable. Especially since the hopes for disinterested aid from the West have been dashed. The West has no need for strong countries in eastern Europe. It is strange that many self-proclaimed "outstanding economists" fail to appreciate this. One should rely only on oneself, one's natural partners and allies. And these are primarily the CIS, Russia.

[Spektor] How does your family relate to your political activity?

[Kuchma] Without enthusiasm, to put it mildly.

Russian Envoy Says Relations 'Normal,' Borders 'Symbolic'

AU1107093894 Kiev HOLOS UKRAYINY in Ukrainian 8 Jul 94 p 1

[Unattributed report: "The Handing In of a Letter to the Ukrainian President"]

[Text] On 6 July, Russia's Ambassador Extraordinary and Plenipotentiary in Ukraine Leonid Smolyakov

handed in a letter to Ukraine's President Leonid Kravchuk from Russian President Boris Yeltsin.

In answer to questions by representatives of the mass media, Leonid Smolyakov stressed that he considered relations between our countries as perfectly normal. Our borders, he stressed, are absolutely symbolic. The wish was expressed that journalists do everything they can to stress friendly relations and see to it that no misunderstandings arise.

National Affairs

Preliminary Results Put Kravchuk as President

LD1107021994 Moscow Mayak Radio Network in Russian 0200 GMT 11 Jul 94

[Text] In Ukraine, according to preliminary results, Leonid Kravchuk has become president in the second round of voting.

Kuchma's Electoral Team Claims 53 Percent of Vote

LD1107090094 Moscow Radio Rossii Network in Russian 0700 GMT 11 Jul 94

[Text] We are receiving conflicting information from Ukraine about the preliminary results of the second round of presidential elections yesterday. According to groups supporting former prime minister Leonid Kuchma, he has won the elections. Ukraine's INTERFAX agency was told at Kuchma's headquarters that he has won 53 percent of the votes. Local observers also believe that Leonid Kuchma has won the elections, on information from district electoral commissions. But representatives of the second candidate, Ukraine leader Leonid Kravchuk, deny he has been defeated. According to REUTER, Kravchuk is leading in western Ukraine, while in the east Kuchma is popular.

The Central Electoral Commission says more than 69 percent of the electorate turned out for the second round of presidential elections. The official preliminary results of the second round are expected to be made public Tuesday [12 July].

'Trustworthy Source' Says Majority Voted for Kravchuk

LD1007200494 Moscow ITAR-TASS in English 1951 GMT 10 Jul 94

[Report by ITAR-TASS correspondent Viktor Demidenko and UKRINFORM correspondent Aleksandr Litvinov]

[Text] Kiev 10 July TASS—The majority of Ukrainian voters supported incumbent President Leonid Kravchuk in the run-off round of presidential elections in Ukraine, a trustworthy source said on Sunday [10 July].

Earlier reports indicated that about 70 per cent of residents of Ukraine eligible to vote cast their ballot papers in the second round of presidential election.

The turnout ranges from 51 to 88 in various parts of the country.

The voting was most active in the Crimea, the Lvov, Lugansk, Zaporozhye, Poltava, Ivano-Frankovsk, Ternopol and Kherson regions.

The most passive electorate was in the Odessa region and Kiev. In the Ukrainian capital only 51 per cent of voters attended the polling stations.

Head of the Central Electoral Commission Ivan Yemets told Ukrainian television earlier today that the commission will be able to say who has become the president only late on Monday at best.

Indications Show High Voter Turn-Out at Election

LD1007102094 Moscow ITAR-TASS World Service in Russian 0952 GMT 10 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev, 10 Jul—First data on today's presidential election being fought by Leonid Kravchuk and Leonid Kuchma from the Ukrainian Central Electoral Commission [CEC] show that voter activity in some regions is considerably higher than in the first round of voting.

At 1400 [1100 GMT] Kiev time, the CEC will report preliminary data on voting.

Kravchuk, Kuchma Phone-In Interview 7 Jul

LD0807192594 Kiev Radio Ukraine World Service in Ukrainian 1830 GMT 7 Jul 94

[Studio phone-in program with President Leonid Kravchuk and former Prime Minister Leonid Kuchma, candidates in the 10 July run-off presidential election, moderated by Zynoviy Kulyk; from the "Hot Line" program—live; passages within quotation marks are in Russian]

[Text] [Kulyk] Good evening, esteemed television viewers and radio listeners. The "Hot Line" program is live on the air. It is being broadcast tonight by Ukrainian television and national radio channels. In our studio are Leonid Makarovych Kravchuk, present incumbent of the Ukrainian presidency, and Leonid Danylovych Kuchma, a contender for this post of the highest rank.

To be more precise, we shall have several hot lines for the next two hours tonight. One of them is in Independence Square in Kiev where our cameras and microphones are present and where everyone wishing to do so may come up to them and ask a question of either of the participants in this program, live on the air, and be given

an answer there and then, live on the air. The second hot line is via direct telephone lines. I ask everyone wanting in the next two hours to telephone Leonid Makarovych Kravchuk to write down this telephone number: 229-50-19, and for all those who will telephone Leonid Danylovych Kuchma the telephone number is 228-50-19. I repeat: 229-50-19 for Leonid Makarovych Kravchuk and 228-50-19 for Leonid Danylovych Kuchma.

I hope that every line will work in a hot mode, that we shall have dynamic and interesting questions, and that we shall have no less interesting answers. To warm ourselves up, as it were, to begin with, we would like to propose that the participants in the program answer several questions videotaped by us. It so happened that a large number of our citizens expressed their desire yesterday and today to take part in this program, but due to certain circumstances, mainly because they were only passing through Kiev or leaving today, they have no such opportunity technically, so we met them at railway stations and at airports and recorded these questions. This is, if you do not mind, what we shall begin with. In alphabetical order, the first question is to Leonid Makarovych Kravchuk. I ask our producer to put the question through to the studio.

[Name indistinct] The urban type settlement of [name indistinct]. I would like to ask Leonid Makarovych, our president, this: Our life now is extremely hard. I would like to know how, in future, if elected president—and I think that we shall elect him—what policy he will pursue in future, and whether the life of our working people will improve? The thing is now that so much is unclear and I do not even understand what we are building at present. We have already given up socialism. Leonid Makarovych is now campaigning for a market but life is getting ever worse daily. All working people, like me and like our (?railway) people, whom I work with, would like to know when our living standards will at last rise.

[Kravchuk] It is an interesting question. It could be answered in one sentence, let us say—that the life of the people depends on how the economy works. The economy today, regrettably, is in a state of crisis and the crisis is not overcome. We, however, have every ground to say that steps are being taken and have been taken so as to enable the stabilization of processes in the economy to be carried out at the first stage and gradual movement forward at the second stage. I am certain that I can say that every percentage point of economic growth will accordingly and adequately produce a percentage point of an improvement in the living standards of the people.

As for what we are building, I would like to say this: We are building a law-governed and socially secure state, where the people in need of protection—certainly not everyone, but those in need of this protection, such as the least provided for, pensioners, invalids, families with many children, and other categories, all of whom need to be taken care of in policies—have to be provided for. Those, however, who can, must work and equal and just opportunities for their work and reward for their work must be created. This is the state that we are to build.

I would also like to say that categorizing societies as capitalist and socialist is conventional. In fact, there is, strictly speaking, neither capitalism nor socialism. There are societies where people live a rich life and there are societies where they still live in poverty. We are at a stage when we are in transition from one system to another, when we are building our own state from a fragment of a greater state. It is clear that the conditions for production and the production ties both within our state and between our state and other countries, which have formed here, do not allow us today to tune up all mechanisms for everything to work in the interests of the people and for their well-being. Such a society, such intentions, such programs, such plans, and such decisions that are being made, are aimed precisely at meeting the demands of the people.

There is hardship today. We know that it is hard for everyone. There are, however, the people for whom today is harder and there are some for whom it is easier, so everything should be done today—and that we shall do—for us to make use of our potential, which is our rich land, our people's great experience, and their labor, and meet their demands justly. An honest person has to live better than he who today is seeking to live dishonestly at the expense of another who is working.

[Kulyk] I would ask operators to route this question to Leonid Danylovych Kuchma.

[Name indistinct] "A question to Leonid Danylovych. What does he think of prospects for development and investments in terms of cooperation with Western companies?"

[Kuchma] "I view cooperation positively, not only cooperation with Western companies, but also with companies of the former Soviet Union. This is a necessary requirement. Ukraine has no future without the latest Western technology. I usually cite one simple example. We buy oil in Russia at a world price, and then this oil gets to our oil refineries where the depth of processing, that is the level of technology, is at 50 percent of the world level, and therefore the output price is 50-percent higher. We need the latest Western technology by all means. As for cooperation with the West and the entire world, or as they say here, the far abroad, I would not want us to turn into a raw materials appendage. If you look at our Ukrainian exports today, and not only Ukrainian, but CIS exports on the whole, including Russian ones, these are raw materials. This is the road to nowhere."

[Kulyk] Thank you. Next question, please.

[Svetlana Kolomyyska] Are there any benefits for single mothers?

[Kulyk] Is it to Kravchuk or to Kuchma?

[Kolomyyska] To Kravchuk.

[Kulyk] And your name, please?

[Kolomyyska] Svetlana Kolomyyska.

[Kravchuk] I couldn't hear you too well. The problem of large families is a very urgent one. We have about 700,000 mothers or families with many children. Recently, I met some of the mothers, and this meeting had a great effect on me. I thought I would be meeting middle-aged women, but it turned out that most of them were young ladies with many children. I felt a great womanly power in them, the power of motherhood. Another thing I remember well is that none of them was talking so much about their problems as I expected, but I know how important these problems are. We agreed then that concrete action was needed. I issued a presidential directive instructing the cabinet to prepare a respective program to take care of families with many children and ensure spiritual support to them, such as introduction of awards to mothers similar to the former Motherhood Glory award. We decided to allocate funds to pay for recreation facilities for such families, and other steps were taken to improve the life of large families. Measures were also taken by the cabinet itself. This problem will always be in the focus of state attention because we realize how important it is.

[Kulyk] Leonid Makarovych, I understand that what the lady said was incomplete families, meaning single mothers. They are offended because no one talks about them.

[Kravchuk] Oh, incomplete families. I understand. There are government decisions and directives to assist such families. I mean free baby food for children under two years of age, and, it has also been decided, free travel to specialized clinics outside their place of residence. All other benefits existing for other families apply to these families with a certain priority emphasis.

[Kulyk] A question to Leonid Danylovych.

[Unidentified caller] "I am from Kherson. I would like to ask Leonid Danylovych what he thinks of the article written about him by his Donetsk brethren, so to speak, who used to work with him at Yuzhmash. They said his emergence from hiding would have a negative effect on our economy."

[Kuchma] "Must be KIEVSKIYE VEDOMOSTI. Thanks for the compliment. I see. That was an interview in KIEVSKIYE VEDOMOSTI with two former employees of Yuzhnoye design bureau, while the media in Donetsk and elsewhere reprinted it. I want to reply to you. I worked for the same company for 32 years, dealing with rocket and space technology all my adult life. Prior to my premiership, I worked as first deputy designer general for six years and as director general of the biggest space rocket concern in the former Soviet Union and in the world, Yuzhnyy Mashinostroitelnyy Zavod [Southern Machine-Building Plant], for another six years. I must say that selection of personnel in the former Soviet Union was very careful, especially in the defense industry. There were practically no accidental people in the management. The fact that these were only two of the 50,000 staff—I think it took a long time to find them, because these are the two who tried to speak against me during my parliamentary election campaign in early 1990 and apologized thereafter—does their interviewers no credit when we speak of the presidential campaign."

[Kulyk] Thank you. Next question, please.

[Unidentified caller] "Esteemed Leonid Makarovych, I wonder where we will wind up, if you promise higher wages when there is no money in the treasury. Where will you find it? That is one question. Also, when will you return the money we invested in the savings bank a long time ago, for old age, which you took away?"

[Kravchuk] Every state has two sources from which it receives money. The first is the development of the economy, manufacturing, and sale of goods. It is the principal source. Some use another source, printing money, which always leads to inflation. We have switched resolutely to the economic source. It is an objective one, based on the laws of economy. It is the main source. This is where we will take the money from, creating all conditions, both domestic and external, for the development of the economy. As for the savings made by people who are now retired, and not only them, we have made the first step. It is the presidential decree on compensation of savings, and the government is looking for ways to resolve the issue. It will take about 15 trillion karbovantsi. But the state must indemnify people for the losses they suffered in the fire of inflation, and this money will be returned.

[Kulyk] "Thank you. The next question is to Leonid Danylovych.

[Name indistinct] [Name indistinct], from the town of Pervomaysk, Nikolayev oblast. I would like to ask Leonid Kuchma this: He failed to improve things last year, and the living standards even dropped, so why is he running for such a distinguished post now?"

[Kuchma] "Thank you. I cannot agree with you at all. Things are slightly different. True, inflation last year was very high, and I would like to explain the reasons why. My government's main achievement, as I said before, was stopping the landslide fall in production caused by inflation. I think everyone well knows that after spring last year, when we failed to come a political decision with Russia to prevent the rise in energy prices, Russia increased oil and gas prices a thousandfold in six months. So inflation was natural, and we indeed stopped the landslide fall in production, and the annual production decline last year was 7 percent. This year, when there is no cause for decline, and prices are stable, production decline is at about 40 percent already. Meanwhile, hidden unemployment, according to the Ministry of Statistics, is 44 percent. These are the figures, and as a practical man, I always rely solely on facts and figures."

[Kulyk] Thank you. I would like our studio engineers to link us to the television crew on Independence Square. My colleagues Yuriy Melnychuk and Yuriy Hrenyk are there, and if we have the first questions from the square already, please put them on the air.

[Unidentified caller] "Leonid Makarovych, I read newspapers, and one of them, the VSEUKRAYINSKIYE VEDOMOSTI of 5 July, printed an article about forged ballots saying that about 1.5 million ballot papers were rigged in your favor. How can you fight for power by such means?"

[Kravchuk] I know nothing about this figure; it is the first I have heard of it. I do not think that a newspaper, even the most respectable one, can be viewed in this case as a document. A newspaper is not an official document to be examined in court or at other offices. If there were any evidence of rigging, it should be reported to the Central Electoral Commission which should examine it and pass a ruling. If their ruling is not final, the case should be taken up by law enforcement and judicial bodies. But not a newspaper. I know of no facts to testify to this figure. There have been many cases lately of very inaccurate reports published in some papers.

[Unidentified caller] Leonid Makarovych, I would like to ask you about this: As president, you must know the state the Ukrainian people are now in. In your last live appearance, you talked at some length about how much of everything we had and how we all had everything in ample amounts. It looks as though you were talking about yourself. The question is this, however: How can a person in power for several years, who has failed to carry out any reforms whatsoever, promise radical reforms and quick changes now? Or does it take a second presidential term to become a true reformist?

[Kravchuk] Reforms, strictly speaking, are not quite as simple a matter as they are sometimes imagined to be. From the historical experience of European—and not only European—countries, I can say that reforms would take 10 to 15 years to reach the level envisaged by those states. Transition from one system of economic thinking and economic creativity to another is a very complex matter, the more so when it is about reforms in a country where everything used to belong to the state and socialism. That is not so simple.

So this is what I say: Reforms have started. Yes, reforms are going slowly and with difficulties and there are both objective and subjective reasons. Reforms will get going by all means, although we so far have failed to reach agreement among ourselves as to the ways to go about carrying out these reforms. There are people who are saying that they should be stopped and there are forces that are seeking to stop them, which also affects what we are doing, how we are doing it, and at what rate.

I would like to say that, both in my previous term in office and if I am elected this time, I did and shall take the position of reforms.

[Kulyk] Good. The next question from the square, please.

[Unidentified caller] I have a question for President Kravchuk. I attended a conference where your adviser, Symonenko, spoke and said that Kuchma was war. Do you share this position?

[Kravchuk] Well, I do not support the view that Kuchma is war. Had I said this, there would have been questions to me. However, groups, let us say, supporting the presidential candidate Kravchuk and the presidential candidate Kuchma sometimes give in to nervous pressure and quite often make ill-considered and unbalanced statements on the air, in newspapers, and other media. As president and presidential candidate, we, of course, bear responsibility for this, because we have to read through everything that is printed and have to watch those appearing on television. This, however, is not that simple.

I do not share the viewpoint that this by all means is war. There may be difficulties with transition to some other systems and structures, because every president, every new president will probably want, let us say, somehow to mark his presidential term. He cannot be a duplicate of his predecessor and there may be steps that can give rise to some difficulties. But I simply do not share this view on making statements about war thus.

[Kulyk] Thank you.

[Kravchuk] If there was something like this, it may have been just invented by someone. It should be checked. I have no way of knowing.

[Kulyk] The next participant in the free microphone in the square, please.

[Unidentified caller] Do you regard as lawful the reelection of the president ahead of time? This is the first question. And the second one: When, after all, will Ukraine start reforms? When will it stop beating about the bush? All countries have long since taken this road. Many countries, anyway.

[Kravchuk] How did it start?

[Kulyk] It started with whether the presidential election...

[Kravchuk, interrupting] Ah, do I regard the early presidential election as lawful? This election, of course, was arranged under pressure from political forces and strikes. I also believe that it was not without some particular action by, I repeat, certain political forces. I went along with this, although I said prior to going along with this that a constitution should be passed first and then a presidential election held. This was my position.

The Supreme Council, unfortunately, passed neither the constitution nor a law on the authorities. It did, however, pass the law on the presidential election. So we have the following situation today: There is a presidential election

but there is no constitution, and local authorities have been elected but there is no law on their powers. In other words, the situation that we have is that if the Supreme Council continues to engage in political matters, as it is doing now, rather than dealing with matters of legislation, we shall then arrive at dire consequences. This has already been proved by experience.

As far as reforms are concerned, our reforms are progressing poorly because, first, we have not worked out a concept of reforms for Ukraine; this is first. Second, we have not reached agreement even today—so far we have not reached agreement about a uniform, unilateral understanding of this issue. Some believe that reforms should go ahead, while other forces think that they should be stopped or carried out otherwise. Until there is unity in our understanding and actions, reforms will be slow. I hope that the time has come now to achieve this unity, the more so in that—I shall conclude here—it is already from below, by the workforce, that reforms are demanded. It was different before. Let us say, the facts were different. We called for, or let us say, pushed for reforms, while those below did not want them. The need for reforms is now coming from below. I think that this is an important sign for reforms to be stepped up.

[Kulyk] The last question from the square in the first session with Leonid Makarovych. Can participants in the square please identify themselves?

[Name indistinct] [Name indistinct], a student of the department of banking at the Trade and Economics Institute. Leonid Makarovych, my question to you is this: The issue of commercial banks' bankruptcy has lately been very topical. In this connection, how do you see a mechanism for protecting these banks' clients?

[Kravchuk] Bankruptcy comes about for two reasons: Either a bank has not established itself properly, or state policy, in respect to the banks, is unjust. It seems to me that there are both elements today, although there is also a psychological factor— people look on the commercial banks as some kind of evil. I do not share this view, but commercial banks have to adapt to the situation that exists in Ukraine today and seek engagement of their funds in investment even under difficult conditions—I can understand how difficult it is in the period of inflation, all the more difficult—in order for the image of commercial banks to improve in the consciousness of society, whose attitude toward them today is unfavorable. As for state policy, it will be to support commercial banks and prevent their death through no fault of their own. When it is their fault, it is quite a different matter.

[Kulyk] Thank you, Leonid Makarovych. Your 10 minutes of communication with the people in the square are over. Can you switch on the microphone directly linking the audience to Leonid Danylovych Kuchma?

[Name indistinct] "[Name indistinct], a worker. Leonid Danylovych, what will be the first things you will do when you become president of Ukraine?"

[Kuchma] "My team and I will prepare a series of decrees. The first group will concern order in the country, making the law work and making people feel that there is a master. The other group will concern economic measures. Some of them have been started by Leonid Makarovych: currency regulation, abolition of the fixed exchange rate, a soft taxation policy to offer people an incentive to work, and everything related to the economy. These will be my first steps."

[Caller] "Leonid Danylovych, you say that Ukraine is walking over an abyss. What are the grounds for such statements?"

[Kuchma] "My statements are based on statistics. At the beginning of our discussion today I said that the production decline this year had exceeded 40 percent, and hidden unemployment 44 percent. The budget deficit is so far at 34 percent. According to all rules of economic science, these are signs of approaching economic disaster. Our duty, therefore, is to prevent it."

[Ihor Tarasenko] Esteemed Leonid Danylovych: Ihor Tarasenko of the sacred Peasant Democratic Party, and please don't confuse it with the turncoat communist Peasant Party. When you become president, will you pay attention to the farmers' situation? They have been smothered by the ruling gang for two years now. The entire world nurtures the farmer, the food supplier. Will you help farmers back on to their feet? Thank you, I wish you victory.

[Kuchma] Thank you. I promise that the government and I will work out an urgent program of support to private farms. Indeed, there should be a state program, because the kind of farming we have today is a joke.

[Name indistinct] "I am a student, [name indistinct]. Esteemed Leonid Danylovych: I wonder what you think of the journalists who interviewed you on 4 July."

[Kuchma] "Thank you. I think you could tell by my mood that I was not enjoying myself. However, I understand the current situation in the press because of the disastrous fall in newspaper circulation. Many newspapers have been forced to look for wealthy sponsors, which means they are no longer reporters in the noble sense of the word, professional, honest, and frank as we expect them to be. Life is life, and I think state support on this issue will help many of our newspapers and reporters to regain their face and become again the fourth estate with which the state should reckon."

[Viktor Tsymbalyuk] "Viktor Tsymbalyuk. Leonid Danylovych, you promise to introduce in-depth economic reforms as soon as you become president. We know that the 122,000-strong Communist Party is campaigning for you and trying to make you president. The president always fulfills the will of those who made him president. How are you going to implement these reforms relying on the Communist Party which opposes reforms?"

[Kuchma] I would like to disagree with you, because both the Communist and the Socialist parties recognized in their programs private ownership and the need to reform the national economy on the whole. Second, you should know my stance: I do not stand for revolutionary transformations, I am in favor of evolution, the Japanese, South Korean, or Chinese models of economic reform under strict state control. Because 90 percent of state property today cannot be freely floated, otherwise it will wind up in the hands of those who did not earn this treasure. Third, and most important, this is my position: in order to implement reforms, we need political will. I have this will, believe me.

[Unidentified caller] What do you think of the present taxation system in Ukraine?

[Kuchma] I think it is a barbaric system, a system of robbery which prevents manufacturers, state and private, from working. By the way, when I am accused of all sins, I want to say that when I was prime minister, my government introduced the softest taxation policy in the entire former Soviet Union. We introduced a 30 percent profit tax and abolished taxes on investments in production development. We abolished taxes on social maintenance. What happened afterwards, including the introduction of a fixed coupon rate against the dollar as of October last year, which turned our exports into a loss-making venture, is not what I stand for. As I said before, I think it is my duty, as a first step, to reform the taxation policy.

[Vitaliy Martynyuk] Vitaliy Martynyuk, a student. Leonid Danylovych: When you become president, will you make any breakthroughs in the legal protection of citizens' rights?

[Kuchma] We talk a lot, of course, about building a democratic state. A democratic state must put human rights and the law first. I think no reform will be successful if we do not put these issues first.

[Caller Chernyshov] I am a Russian, Chernyshov. I would like to ask you in Ukrainian: You are a very intellectual person, you play chess and so on. Why haven't you learned Ukrainian in 54 years?

[Kuchma] Thank you very kindly. I would like to tell you that this is my misfortune, and not only mine, but that of millions of people whose Ukrainian is not very good. I would like to remind you that I worked all my life in the rocket and space industry. The rocket and space industry, you understand, required speaking and doing everything else in Russian only. As for the Ukrainian language, I will soon speak it very well. That is why I don't want to show today that it is not very good yet. Thank you.

[Unidentified caller] Esteemed Leonid Danylovych: When you were Ukraine's prime minister, you promised, and your promises were heard throughout Ukraine, that you and your entire government would ride in [Ukrainian-made] Tavriya cars. Tell us please, what car will you ride in when you become president?

[Kuchma] The car and machine-building industry reflect any country's level of development. As for our country's development you can only say, well, you know the level. If I become president, I would like our state to have the kind of car industry which would make the president, the prime minister, and the Supreme Council chairman unashamed of riding in home-produced limousines.

[Name indistinct] [Name indistinct] My question is this: What benefits will you make available to servicemen? "What support will you offer to servicemen if you become Ukrainian president?"

[Kuchma] "Thank you. First and foremost, I sincerely want to help revive the respect for the military man which existed in society after the Great Patriotic War. I was a boy then, and I remember the reverence with which I looked at the military man. Second, believe me, I have worked all my life in the military-industrial complex and spent the greater part of my life on the Soviet Army's firing ground, and I am quite familiar with servicemen's needs. I promise to do all in my power to help every man serving in our Ukrainian Army to feel like a man."

[Unidentified caller] "Was it moral to raise the bread price on the anniversary of famine?"

[Kuchma] "Thank you. A difficult question. Probably-...[pauses] Is it, in general, moral that in this time we have reduced most of our people to a life of poverty? So this all as a whole is amoral, rather than just bread."

[Kulyk] I thank my colleagues in the square and all those waiting for their turn to ask a question to the participants in our program. We shall once again connect the square in around 25 to 30 minutes to be live on the air.

Let us now turn to the questions that were asked on the second hot line of our direct telephone. It is most unfortunate that our technical services could not ensure the materialization of our idea of a direct link. There were disruptions to it all the time which, as it were, prevented us from carrying out our plan. Our editors, correspondents, and assistants, at the same time, wrote down a number of questions and I put the first one to Leonid Makarovych. It is a question from Olena Krasnyanska from Kiev: What is your attitude toward every level of power searching for the culprits, rather than doing business?

[Kravchuk] I am in general against this, because, to us, to Slavonic people, the first question has primarily been who is to blame rather than what to do. So searching for those to blame has now become traditional. It is with regret that I must say that this search and the heroes in this search quite often encounter great support. When they come to power, however, it becomes absolutely

clear that the question is not to find the culprit. The question is (?to be able to control) their power.

So I was and I am for concord, for calm, for mutual understanding, (?without secretiveness), without emotions, and without shifting blame from one to another, in order to do everything to pull Ukraine out of the economic crisis, for Ukraine to be a democratic, civilized, and strong state. We can do that when we stop playing the power tugs of war, when we end disputes among ourselves, and when we really abandon our search for the culprits. There already are those who are to search for the culprits. It is not, strictly speaking, a function, let us say, of the president, or a presidential candidate, or a Supreme Council deputy. The culprits are sought by the agencies in charge of this. When they find them, they have to provide information about this for the people. This, unfortunately, has taken root in our society and those who are searching for those to blame are not those who should do the searching.

[Kulyk] Leonid Makarovych, two questions from Yuriy Stepanovych Shyryaev from Kiev, on privatization. First: How will state property be divided between the public on the one hand and the state on the other? The other question concerns whether or not all citizens will receive privatization certificates.

[Kravchuk] I think it should be understood this way. We will not be able to privatize 70 or 80 percent of state property right away. Considering the structure of our industry, we will be able to privatize about 50-60 percent of state property, I think, and it will take more time than we would like, for various reasons, because there are many difficulties involved. Second, privatization certificates will be issued to everyone—not only to those working in the production sector, but also to those who provide services, including doctors and others whose job is no less important than the job of those involved in manufacturing of goods. Of course, there should be certain benefits for this or that collective, to a certain extent. But property must be distributed in a fair and open way.

[Kulyk] Leonid Makarovych, pensioner Natalya Mykhaylivna Solovyova is asking why the constitutional court is not functioning.

[Kravchuk] It is not functioning because it does not exist. They keep blaming me, and yesterday, at the Supreme Council, too, there was an attempt to shift the blame for the constitutional court to the president. I would like to go back to the first sitting, when constitutional court appointments were on the agenda. Ivan Stepanovych Plyusch who was the speaker at the time, said, and I quote from memory: I present to the Supreme Council nominations from myself and the president of Ukraine agreed among ourselves. I reviewed his nominees, and he reviewed mine. We agreed these nominations with the chairman of the constitutional court, and here they are, our joint nominations.

Thus, it is documented that I nominated proposed members of the constitutional court within the specified period. But the Supreme Council failed to elect a constitutional court because that session was a rare occasion when 300 deputies were registered as present. But that was because they double-registered themselves with their cards, using also the cards of those absent. Therefore, when a group of deputies suggested voting by secret ballot, it turned out that many deputies were absent. At that point the election to the constitutional court was terminated. So don't blame those who were not involved. Blame those who are responsible.

[Kulyk] I think everyone is under the impression that the president can appoint anyone, including members of the constitutional court.

[Kravchuk] Maybe. I think the present Supreme Council will draw proper conclusions. We need a constitutional court. I am in favor of it.

[Kulyk] A question from a group of Lugansk oblast residents: We, the residents of oblasts bordering on Russia, want to know what you, the president of Ukraine, have done to normalize relations between Ukrainian and Russian border oblasts. We want you to tell us whose idea it was to set up a border between two brotherly peoples.

Obviously, they are not peoples, they are states.

[Kravchuk] I want to say that any state must have its borders. Another matter is the status of the borders. The border between the United States and Canada has one status, and the borders between Middle Eastern countries have another status. But borders should exist. No borders, no state. Incidentally, it was not Ukraine that began setting up borders. It was Russia's initiative. However, I am not criticizing Russia because borders were necessary. Borders are not only for the movement of goods, but for drug trafficking, migrants, and so on. We concluded that since many people lived on the border, we should create a special border zone. This proposal was backed by Russia. We worked out documents that have been approved by our cabinet and supported by myself as president. Leaders of the respective Russian oblasts also worked on them. As soon as Russian Prime Minister Chernomyrdin signs them, these border oblasts will receive a special status which will facilitate travel, border crossing, and customs problems. We have done everything so as not to disrupt the life of people in border oblasts.

[Kulyk] Nina Borysivna Filipova is asking quite ingeniously: Esteemed Leonid Makarovych, what is ahead of the multimillion army of pensioners? Still, we wish you success.

[Kravchuk] There is the following problem with the pensioners here: The size of the pensions is established under Ukrainian law; that is, the president cannot establish pensions, much as he might want to. There is the law on the provision of pensions. Life has shown that this

law is imperfect and the appropriate changes and and additions have to be made. These changes and additions have been worked out by the government. The lower strata of pensioners—that is, those receiving smaller pensions—should be provided for more justly and adequately, or in line with this a law should be worked out under which [word indistinct], let us say, wages or pensions would increase accordingly. In other words, [words indistinct] those most in need of this and an increase in their pensions will be ensured.

Apart from that, measures are being developed of financial support for pensioners and their support with food and by the workforce and collective enterprises in the countryside, which, incidentally, are now backing the large army of pensioners. I am sincerely grateful to these collective farms and also their managers for so wisely and so considerately providing for the people who gave their lives to production and war. This is a moral, humane deed. [words indistinct]

[Kulyk] All Western presidents give an account of their work. Why have you not given a single account in the past two and a half years? This was a question from Volodymyr Burlak from Kharkov.

[Kravchuk] In terms of giving an account to the people in this way on television, for example, indeed, there has not been such an account, although I often spoke at news conferences. There has been no official account, which I think is a mistake that should be rectified. I even think that this should be done, for example, weekly—or maybe at least monthly—rather than annually, speaking to the people and telling them what has been done, what has not been done, why it has not been done, and what is in its way, for the people to know this firsthand. At the previous Supreme Council, though, six reports were delivered by me, which contained both the accounts and reports provided for in the Constitution. This, probably, is insufficient. I think that the experience of those countries where the president makes weekly appearances on television and communicates with the people on the radio and in other ways should be taken note of. It has my support.

[Kulyk] Leonid Makarovych, Oleksandr Burban from Kiev asks as follows: Leonid Kuchma said that he had handed to you 1,500 criminal cases. Could you name at least some of them? Is this true? Kuchma said that you did not investigate any.

[Kravchuk] Well, I do not know what Leonid Danylovych said, but he did not say this to me. Another matter is that newspapers and leaflets wrote—I do not know, though, who prepared these leaflets—that Leonid Kuchma's government had handed 1,500 cases to the procuracy. I have made an inquiry at the office of the procurator general and had an official document back from the procuracy that six cases in respect of legal offenses and criminal cases were handed by the government at the time of Leonid Danylovych Kuchma's premiership, rather than 1,500. I could even identify them, if need be, but...

[Kulyk, interrupting] The procuracy answered there were 19 (?cases). The procuracy wrote 19 were (?handed over).

[Kravchuk] Six—here, Lytvak provided me with a reference yesterday. He named six precisely, when, within what time, and with regard to which of them conclusions were made by the procuracy accordingly.

[Kulyk] The last question in this series is from Mykola Vasylyovych Pylypenko, an office worker: Leonid Makarovych, every candidate has their propaganda apparatus. Kravchuk has no such apparatus. Will it be formed?

[Kravchuk, laughing] It is a problem for me, because I used to be in charge of the department of propaganda and agitation and Central Committee secretary for ideology, so I know, for example, what a propaganda apparatus is. Strictly speaking, I take the position that there has to be a suitable service, tracing or, let us say, monitoring public opinion, tracing it regionally and making conclusions and proposals for the president, and every day tabling a relevant document containing the results of research, conclusions, and proposals. Accordingly, there have to be groups of people ensuring effective political support for economic reforms and, for example, various social moves by the president and his international actions. This, by all means, is needed. But, somehow, I do not favor forming a powerful propaganda apparatus because it may lead to distortions and it may once again happen that ideology and spirituality will concentrate within a certain group of people, or a certain force, or a certain party, which means restrictions, spiritual impoverishment, and spiritual slavery. Human freedom has to be real and there should be created democratic sociopolitical conditions without any censorship and without any obstructions, for everyone to be able to express their will with regard to their position and their role in the state.

[Kulyk] Thank you, Leonid Makarovych. We have a little bit of a pause before our next connection to the square. For the next 15 minutes, there will be questions put to Leonid Danylovych Kuchma.

Kuzmenko from Rovno: How will you ensure the precedence of the economy over politics?

[Kuchma] "I beg your pardon, I would still like to answer and add a little to the question put to Leonid Makarovych about Kuchma having or having not handed cases to the president. This, to begin with, is not a matter for the president. This really is a matter for the procuracy. I would like to draw the attention of all of you, our listeners tonight, to a report by the Security Service in yesterday's KIYEVSKIYE VEDOMOSTI newspaper. From January 1992 up till now, approximately 10,000 reports on issues of the protection of state

sovereignty, constitutional structure, territorial integrity, economic, scientific, technological, and defense potential of our country, and fighting organized crime and corruption have been sent to the Supreme Council, president, and cabinet. Of these, over 1,000 reports were addressed precisely to the cabinet in the period from November 1992 to October 1993. It so happened that this was the time of my premiership.

"So I would like to tell all of you that it is not for the cabinet to investigate these cases and hand them over to the procuracy. A certain number of cases was, indeed, handed over by us personally to the procuracy on behalf of the cabinet when (?Ioffe) chaired the state commission and the cabinet dealt with them directly. But (?on all these thousands) of reports from the Security Service and Internal Affairs Ministry, the cabinet and the prime minister personally would issue instructions to the Finance Ministry, supervisory and auditing directorates, and the taxation service, which made thousands of checks, and the results of these checks were sent to the procuracy for it to respond to and take, as they say, legal action. So this is what it is about. Thank you."

[Kravchuk] [Words indistinct] this article, I asked what it was caused by. I was informed that you said in the "100 Minutes" program that only reports of, let us say, road accidents had been supplied to you toward the end of your premiership and not in-depth and serious documents. They say they were supplied.

[Kuchma] "As for the precedence of the economy over politics, believe me, I am a pragmatist and for the whole of my life have only been doing business. I shall not allow the precedence of politics over the economy. If, (?given that there is) peace, calm, and order in our country as Leonid Makarovych said, from tomorrow all of us do not start tackling economic problems, a very difficult siituation awaits us in the future. So let all of us deal only with the economy."

[Kulyk, reading] Leonid Danylovych, I have a question to you as a pragmatist. You promise to abolish the fixed exchange rate against the dollar. What prevented you from doing so when you were prime minister, or is it going to be a monarchy when you come to power? Nadiya Kobchenko.

[Kuchma] "Thank you. I was not the one who introduced the fixed coupon rate against the dollar. I have always been and am in favor of a regulated coupon rate against the dollar. Proposals to that effect were made to the government a long time ago: the coupon-dollar rate should be determined every week, on the basis of export, import, and the trade and currency exchange. This has been agreed with the National Bank and all economists who specialize in this field."

[Kulyk] Vitaliy Onopryychuk. How will you fight unemployment?

[Kuchma] "I would say first of all that work should be made profitable. Indeed, today it is unprofitable to work. The producer must be freed of the tax chains. Second, and most important, we need economic integration with all the republics of the former Soviet Union and Eastern Europe. We need to dismantle all customs barriers. This term is not perceived in a civilized sense today. It is perceived as a barrier to economic cooperation. Customs should be a civilized means of tracking the movement of goods and payment balance, of protecting our internal market from the import of goods which are available in sufficient quantities here. It is a shame that our stores are full of German ham and foreign wines while our wine cellars are packed with our own wines. We are wrecking our production. That is what we need customs for."

[Kulyk] There are several questions which imply a certain degree of debate. I will read one in its original language. "You said"—it is for you, Leonid Danylovych—"you said there has been no investment in metallurgy in recent years. Leonid Makarovych Kravchuk said there was more investment in the past four years than in the preceding 15. Who is telling the truth?"

[Kuchma] "Both Leonid Makarovych and I are telling the truth. I said that in the past 10 years practically not a kopeck was invested into our metallurgy by Moscow. I said the same everywhere. Up to 80 percent of fixed productive capital in metallurgy is depreciated. The fact that metallurgical plants were able to do a great deal in the past few years is still a baby step."

[Kravchuk] I quoted a figure. Every year, our metallurgy contributed 2 billion rubles to the Soviet budget. That is about $2 billion, if you use the rate of that time. It was a big contribution. But nothing was invested into our metallurgy. It was on its last gasp. That's what it was meant to do: to die slowly. We now have a 70 percent depreciated capital. Only after the production was freed from dictatorship, it began—I was in Moscow and saw what was being built there, I couldn't take my eyes off it. But in Dneprodzerzhinsk, steel is [word indistinct]. We keep saying: We must do it, we must do it, Japan did it, why can't we do it? We need to see not only disaster, but also the shoots of (?recovery).

[Kuchma] "I always added, however, that investments in the past 10 years went either to [place name indistinct] or to Magnitogorsk metallurgical combine, depending on where the minister was from. But never to Ukraine."

[Kulyk] The next question is actually from the metallurgical region of Dnepropetrovsk. It is a very tough political one. Ivan Markovych, Dnepropetrovsk. "Leaflets have been circulated in Dnepropetrovsk, saying: Leonid Kuchma: Ukraine and Russia! Fewer (?arguments), more (?bridges). Then suddenly we read in the papers that you were supported by that notorious people's deputy Stepan Khmara. Who are you with, Leonid Danylovych?"

[Kuchma] "How do they know Stepan Khmara supports me? I read in the paper today that Stepan Khmara supports neither Leonid Makarovych nor Leonid Danylovych. Am I wrong?"

[Kravchuk] I haven't read it, but I know that Stepan Khmara does not support Kravchuk. Everyone knows how much filth Stepan Khmara has poured on Kravchuk; you can fill a room with this filth, though it has never been backed by any facts. I am absolutely free of Stepan Khmara's support, and I never hoped for it.

[Kuchma] "I was in Lvov recently, meeting industrialists and entrepreneurs there. As we approached the building, we saw about 30 people with Stepan Khmara in front and Larysa Skoryk in the back and posters complimenting me. So if Stepan Khmara changed his mind in the past few days, I would like to hear about it from him."

[Kulyk] A geopolitical question, Leonid Danylovych, from Yaroslav Bankevych, incidentally, from Lvov. As we know, the further a country is from Russia, the higher are its people's living standards. What do you think of this?

[Kuchma] Then why do many people look to Finland which is close to Russia and whose living standards are very high? The problem is not neighborhood, the problem is society, what it does and what system is at work there. Also, China is close to Russia, and recently it has been feeding all of its people and producing clothes and footwear for the entire world.

[Kravchuk] I think they do not mean geographical proximity, but relationship and subordination, that's how I understand it.

[Kulyk] That's one thing, and for another, they probably mean 1917, too. Finland and Poland left Russia in that year.

[Kravchuk] Well, I think it is a complex question, and it contains subtexts.

[Kuchma] I think we are building the so-called sovereign, independent Ukraine [words indistinct].

[Kravchuk] If you take customs, for example. If conditions in Russia are different from ours, if they have a different gas price, different prices and different wages, then try dismantling borders and eliminating customs problems. There will be no economic problems any more. Everything will have to be levelled out and brought under a common denominator, in a ruble zone.

[Kuchma] (?World practice) is different. Take Finland: it is not planning to open its borders any time soon. Although Finland lived well having Russia nearby. It had resources, raw materials. When Russia became independent, too, many Finnish companies went bankrupt.

[Kulyk] [name indistinct] is asking you, Leonid Danylovych, what your biggest mistakes were during your premiership?

[Kuchma] Thank you. It is hard to tell which were the biggest and which were the smallest. I think there were no strategic mistakes. Both then, and now, I was and am in favor of the evolutionary path of reforms, without revolutions in which leaps from one social formation to another brought Russia, us, and other countries to the impoverishment of the majority of people. As for tactical mistakes, yes, there were some with regard to currency regulation, tax policy, and other areas. But they were tactical. It takes some will power to admit to these mistakes and never make them again.

[Kulyk] Scientist Kobzar is putting a very serious question to you, and before I read it, I would ask our studio engineers to contact Independence Square and see if they are ready for our next link-up. A question to you, Leonid Danylovych. "You have a program. But do you have the means to carry it out? The choice of means can spoil any program."

[Kuchma] "I can see that this person is a scientist. Indeed, there should be a comprehensive approach to everything. We should not single out and solve one problem only, because this sometimes can bring worse results than if that problem were not tackled at all. I am working with many economists and scientists in the Industrial Union, though their names may not be known today; many of them are practicing economists; and we are working on this particular issue. If you have any suggestions, I will be pleased to see you and invite you to cooperate."

[Kulyk] The thing is that the microphones in the square were at first switched on for people to put questions to Leonid Makarovych and now, when we changed over to [word indistinct] our program, in a reverse order. Are they ready to put questions to Leonid Danylovych Kuchma?

[Unidientified speaker] [Words indistinct] who are ready to ask, please, introduce yourself, do not forget to introduce yourself.

[Shevchenko] Ihor Shevchenko [word indistinct].

Esteemed Leonid Danylovych. Please tell me, what is your understanding of the economic union with Russia?

[Kuchma] Thank you, Ihor. I understand the economic union with Russia as economic cooperation—equal and good-neighborly cooperation. This is the main thing, "because throughout the entire history of Soviet power we have been developing together. Our plants, our enterprises, depend on one another in many areas. We were receiving raw materials from there, and components were being shipped from here. These flows— these arteries, as they say—have existed for more than 70 years.

"Ukraine depends on virtually 80 percent—I am not very much willing to say this because I would be impolite to Russia—on Russia's raw material basis. This is oil, gas, timber, cellulose, apatites for mineral fertilizer, [word indistinct], rare earth metals, and scores of other critical import items that cannot be found in Ukraine.

So, even from this point of view—to say nothing about our 1,000-year-long history—we must cooperate with our great neighbor."

[Kulyk] Next question, please.

[Name indistinct] "[Name indistinct], Kiev.

"Esteemed Leonid Danylovych, according to the latest newspaper reports and your interviews, you consider decisions by the political leadership of Ukraine on issues such as the Crimean situation, economic relations with Russia, and the division of the Black Sea Fleet, not to be effective enough. If you become president, where is the guarantee that your decisions on these issues will contribute to strengthening the political and economic might of our independent Ukraine?"

[Kuchma] "Thank you. The president's job is to work tirelessly for the benefit of the state's might, for the benefit of building a state. You and I are building this state from scratch, so to speak, and to work first and foremost for the benefit of people. This is why I proceeded, first and foremost, from purely economic issues when putting forth all my proposals.

"In parliament, in spring of last year [1993], when I proposed renting out the Black Sea Fleet along with the naval bases, I was proceeding first from the international situation—this is a civilized approach. Many countries have military bases in other countries, and pay dollars or any other currency for this. Second, Ukraine was economically unable to maintain the Black Sea Fleet. Third, from a purely military point of view, we simply do not need such a composition of ships. We need a strong coast guard.

"Considering the negative balance of payments which, according to our economists' calculations, amounted to minus $13.5 billion in 1990, according to the 1990 trade turnover, I proposed this variant only in the interests of the people of Ukraine.

As far as economic cooperation is concerned, I would like to say that today any country's national economy is unable to survive on its own. The future of any country, including Ukraine, is in macroeconomic transnational associations. We must work tirelessly for the creation of financial-industrial groups with the countries of the East and the West, with all those who wish to cooperate with us in a normal manner. I again underline that this is the future, because self-isolation leads to unpredictable consequences and, in principle, to self-destruction of one's own economy."

[Kulyk] Well, next, please.

[Oles Hryb] Oles Hryb, candidate for people's deputy to the Supreme Council, Gagarinskiy constituency No. 3, chairman of nonparty electors' club Civil Opinion.

Leonid Danylovych, I would like to put the following question: You know that today Zhirinovskiy threatens to bring all the former Soviet Union republics back to Russia, to restore their old status by force. He makes threats that the Russian troops will wash their boots in the warm waters of the Indian Ocean. I know that this is an insane idea, but there were attempts to realize the insane idea of the socialist revolution and the insane idea of national socialists to occupy the entire world. [Words indistinct] I would like to ask you as a candidate for president: If Russia makes an attempt to occupy Ukraine or its army, or the land of the Zaporizhyan [Cossack] Army, which is now called Donbass, will you, as the future president, give the order to open fire on the invaders? This is the first question, and the second question—I hope that Leonid Makarovych hears me, I would like to ask him—you are very tolerant toward various nationalities and you try to reconcile them all [words indistinct]. I have the following question-...[pauses] By the way, the Civil Opinion club supports you, Mr. Kravchuk. I would like to ask you: How many state languages, in your opinion, are required today in Ukraine from all nationalities so that people do not quarrel? Thank you. I wish you success, Mr. Kravchuk.

[Kulyk] Excuse me, but we have agreed not to pass on any wishes and not to put questions to both candidates simultaneously.

[Kravchuk] I will answer this question in due time.

[Kulyk] Your answer, Leonid Danylovych.

[Kuchma] I am deeply convinced that Zhirinovskiy will never come to power in Russia and I promise you that there will never be a war between Ukraine and Russia, if I am a president. I promise you this.

[Text] [Kulyk] Your turn now. Three minutes are left.

[Name indistinct] [Name indistinct], artistic director of the Suzirya theatrical art workshop—thanks to the Kiev city administration this is now a state city theater. At our theater we staged plays by President Vaclav Havel, President Arpad Goncz, and Pope John Paul II. Having worked on these plays we understood that the person holding such a high post should be able to forgive even his enemy. He should be able to find the best qualities in every person. I would like you, Leonid Danylovych, and, may I break the agreement and put this question to Leonid Makarovych as well, to say what you would wish each other and what qualities you appreciate most of all in each other?

[Kuchma] Thanks. I have always said and today I would like to repeat that Leonid Makarovych is an outstanding political figure, that he is the first president of independent Ukraine, and he should remain such in the history of our state.

As far as mistakes are concerned, economic mistakes, as they say, they have been made and I think that Leonid Makarovych will also say this. There are objective reasons as well. First and foremost, this is the external, so to speak, inflation and transition to world prices. This is a heavy blow to us, after which we have not yet come to

our senses. I would like to wish Leonid Makarovych, if he wins, [word indistinct] with the participation of all forces in our society, first and foremost, our economic science and practice, to make an analysis of the road we have travelled over this time so as to avoid mistakes in future and so as to say truthfully who is who. Thanks.

[Kulyk] Please, the last question from the square to Leonid Danylovych.

[Unidentified caller] A citizen of Ukraine, the city of Kiev.

I would like to ask you, Leonid Danylovych: Do you know that millions of Ukrainians live beyond the borders of Ukraine, in particular, in the Western diaspora? Do you feel responsibility, as a future president, if elected, for these Ukrainians? Do you know such world-famous Ukrainians who have [word indistinct] contributed to the development of Ukraine, such as, for example, (Petro Lyasyk), (Arystyd Virta), (Yevheniya Pasternak), the Chukhivskyy family? Do you know who these people are, do you know what they are doing for Ukraine? This is the first question.

The second question: True, you are an experienced practician, an experience general director. Do not you believe, honestly, that your activity as the general director would be more useful? Honestly, do not you feel that you are going to sit in some other person's car, or to occupy some other person's chair? Thanks.

[Kuchma] I would like us to talk not only about the diaspora living in faraway countries, mostly in America or Germany. Such a diaspora exists in other countries as well, and in the former Soviet Union, including Russia. In Tyumen alone there are over 500,000 Ukrainians. There are many problems there. They often, as they say, put such questions to us. Therefore, one should not forget about them, too.

As far as [word indistinct] are concerned, I know many of them, I communicated with them. As they say, God bless their fruitful activity in the interests of our state. My feeling toward them is sincere and it comes from the bottom of my heart.

As to who sits in whose car and who occupies whose chair, please, let us give an opportunity to our electors to make their choice.

[Kulyk] Leonid Danylovych, your communication with Independence Square [word indistinct] is coming to an end. During the next 10 minutes there will be questions to Leonid Makarovych Kravchuk.

[Kulyk] Your turn now.

[Petro] Good evening. Tymchuk Petro in Kiev.

Leonid Makarovych, the radio reported today that you had a telephone conversation with Boris Yeltsin. Please tell us about it. Tell us the gist of the conversation. Thank you.

[Kravchuk] We had a brief conversation. Boris Yeltsin leaves for Naples to take part in the G-7 meeting, and he wants to propose during the debate there that G-7 render support to other CIS states. I told him that the issue on rendering assistance to Ukraine in ensuring its independence, as far as energy supply is concerned, is to be discussed there. I sent a letter to all the G-7 heads of state, and sent this letter to President Clinton too. Boris Yeltsin promised me that in his speech he will say that Ukraine needs such assistance. As far as this issue is concerned, I have not said anything else.

We also discussed issues concerning Ukraine's internal political life, including preparations for the election and our economic relations with Russia. That is to say, the conversation was brief but, from my point of view, profound as far as relations between us and existing problems are concerned. We did not go into detail, because on the eve of the election I was somewhat embarrassed to touch on these issues, because this will have to be done by the new president that will be elected on 10 July.

[Kulyk] I again ask to establish a link-up with the square. My colleague is there, as far as I can recognize him, who was not given an opportunity yesterday to ask his question.

[Kafman] [Word indistinct] Thank you for recalling me. I am a journalist, my name is Volodymyr Kafman. I say good evening to both Leonids and wish both Leonids success in the 10 July election. Now here is my question to you, Leonid Makarovych. Please say what your attitude is, as a guarantor of the Constitution, to the so-called Hrynyov case which emerged at the Supreme Council and which was recognized by the entire world, at least by my colleagues, as a political victimization and squaring of accounts and just something which is neither constitutional nor appropriate to a democratic society. A very brief second question. Could you say, Leonid Makarovych, what your attitude is toward the expression: We should build capitalism in production and socialism in distribution. Thanks.

[Kravchuk] I share your opinion regarding Hrynyov and Kudyukin. In this case they were guided not by the Constitution of laws but by their relevant attitude toward these people. I regret this. Strictly speaking, I myself feel an attempt to politically victimize the president. After all, according to the laws existing in Ukraine the Supreme Council cannot be used as a rostrum for groundless, unsubstantiated accusations against the president. What is more, they openly prompt informers and speakers to say that the president is to blame. The law even prohibits the raising of such questions during the last five days before the election; however, when this is being done by the top legislative body and when this is being imposed on the top legislative body by certain political forces, I do not blame the entire Supreme Council in this case—there are political forces, there are deputy groupings, which, I would like to say this openly, are guided by neither the law nor the Constitution but by

the decisions of the political parties they belong to. This is a problem. This is a beginning of something which may lead to trampling the Constitution and the law— we have already lived through that in our society, and this should simply be stopped. Not only does this disgrace Ukraine but this also disgraces those deputies and those political forces which use the rostrum of the Supreme Council. I believe it is necessary for them to come to their senses.

[Words indistinct] disgrace in relation to Hrynyov and Kudyukin should be removed, no matter whether they like them or not. It is necessary to be honest and responsible before the law.

Second, what is my attitude toward the expression: capitalism in production and distribution on socialist principles? Well, strictly speaking, we have already learned how to distribute, especially to appropriate and divide. All our previous history, since the year 1917, has been as follows: to appropriate and to divide—but what next? It is necessary to work and produce. Someone even said: give us these dollars which... [pauses] There are some people who mention various figures—several billions. I would say that if we give $20 to every person out of the 52 million-strong population, we shall spend over $10 billion, and this will be spent on food. Well, what next? To look again? It is necessary to work, to create conditions for work. I understand this, and it is not distribution that matters. The distribution should be dictated by the economy and objective laws. Then there will be something to distribute. Otherwise, one can distribute air [word indistinct].

[Kulyk] The next question is the one asked by the first woman in the square.

[Unidentified caller] Leonid Makarovych, tell me please if it would not have been better if we had had stage-by-stage elections, starting, for example, with people's deputies. They are the ones chosen by the people. The people's chosen ones then elect the president. It seems to me that many problems [words indistinct].

[Kravchuk] I will tell you this: Were the Supreme Council to elect the president, we would have had the 10th president now in Ukraine and maybe even the 20th, which has already been confirmed by the prime minister. It is a given that all the Supreme Council does is express nonconfidence in the cabinet or individual ministers, rather than dismissing them. Were it to elect the president, given this distribution of forces... [pauses] For example, today I am elected by the Supreme Council. I can assure you that had I been elected by it today, I would have been dismissed tomorrow, and not only dismissed, but stripped of everything (?in this world), as they say—of my rights and freedoms, because I can see (?what is going on there) and how glassy is the stare of (?certain) groups of deputies when they are talking about President Kravchuk. It now is about (?orientation), about policies of a grand strategic scope, rather than about an individual. It is about removing President Kravchuk from the political arena at any cost. That is the task. It is strategically planned and consistently performed—I repeat—performed with the use of the Supreme Council rostrum by certain political forces [word indistinct]. I have more to say about this. I would not like to waste time on this but the people need to know how it is.

That is why the president under our conditions has to be elected solely by the people, in which case he can guarantee and counterbalance the Supreme Council, which is, so far, let us say, not such as to be made up and structured so that there is a certain majority, a certain majority that is stable and that elects its president and supports him, as is the case in civilized countries. There can be such a variant. In that case, however, the role of the president is altogether different. It is no longer either a presidential or presidential and parliamentary republic but a purely parliamentary one, where the president is elected by the Supreme Council and performs some powers of a representative nature, if you like. We cannot go along with this. The president has to counterbalance the Supreme Council and have the protection of the people, rather than of any political forces only just beginning to emerge or, with some of them, being reconstituted, reconstituted on the pathos of cruelty and on the pathos of (?revenge).

[Lulyk] Please.

[Unidentified caller] Esteemed Leonid Makarovych, why is it that it has now become dangerous to walk in the streets? Is it not you who, as president, is responsible for the crime situation in our country? Why is it that there is so much talk about the protection of citizens but there is an ever increasing number of murders in our country? I am a student at the city of Kharkov polytechnic. Thank you.

[Kravchuk] I agree with you. I do bear the responsibility and I am not trying to evade it. I have said and say that, in particular, the president is responsible here. I also say that I am doing (?my best). I have voluntarily taken charge of a coordinating committee, knowing that I shall be under fire, but I cannot see any other way out. We all have to unite in this fight.

Yevhen Marchuk has now been appointed to the cabinet as deputy prime minister; he will, accordingly, coordinate among all the power-wielding ministries and the coordinating committee locally. We have to defeat crime by combined force, by laws, and by action, to defeat it at all costs and end it. This is a very responsible task and I am ready for resolute action.

Once again, however, I would like us to act lawfully, because our resolve may be used justly today and it may be used unjustly tomorrow, if it is outside the law. I was and I am for the law. Respect for the law is most important to the president. There then is respect for each other.

[Kulyk] I beg your pardon now. There will now be the last question from the square to you, Leonid Makarovych, and, esteemed participants, we already have 745 calls and (?questions). Please.

[Kravchuk] Welcome.

[Aleksey Zverev] Leonid Makarovych, I am Aleksey Zverev, Kherson. Tell me this, please: In 1991, you put forward the (?Creativity and Talent) program. At present, there is no money for this program. You gave 200 scholarships to the (?big) academy but nothing to the academy of pedagogical studies. What is your attitude toward the teachers in Ukraine in general, please?

[Kravchuk] Well, I treat teachers with great respect. I used to teach myself, although I started at (?a specialized secondary school). I know what hard work this is and I know what great responsibility this is. I have said and say this: A doctor is someone protecting life and health physically, while a teacher's (?work) is spiritual. These two professions have to be treated with the greatest of respect in our state and have to be financially secure. That today we cannot make them secure and, as I said, provide funds accordingly and adequately, is explained, believe me, not by my unwillingness to do so but by the fact that we have no such possibilities. In programs and policies, however, it is exactly how it will be, exactly so.

[Kulyk] Leonid Makarovych, (?your 10 minutes are over), if I may. Of those 745 questions and calls that we have received, a certain part, I think, (?has already been answered).

The next 10 minutes will be yours, Leonid Danylovych. Question number one is from [passage indistinct].

[Kuchma] [words indistinct] Crimea is an integral part of Ukraine. This is what one should proceed from, while what I think is the second most important question about Crimea, and about Ukraine as a whole, is the economic situation. Given that pay is somewhere in the region of $10 to $20 in our state depending, as they say, on who does the counting, and over $100 in Russia, tell me please...[pauses] So I keep saying everywhere, and said this today, that all of us have to concentrate and work solely on getting the economy going, for us to live better in our state and for the world to try and keep up with us. We then shall be both (?with) Crimea [words indistinct].

[Kravchuk] I think—excuse my small remark, Leonid Danylovych—that when one talks about $100 in Russia, I do not think applies in Kursk (?villages) or Siberia. One is talking about Moscow and St. Petersburg.

[Kuchma] That is the average pay, according to international data.

[Kravchuk] We know how people in those regions live.

[Kuchma] You and I know at what expense... [pauses] I do not mention that Russia today has oil and gas, sells them, and has that possibility. We have no such possibility.

[Kravchuk] One should take account of Kursk and prices...

[Kuchma, interrupting] That is fact.

[Kulyk] [words indistinct] If you become president, what will Ukraine's state emblem and flag be?

[Kuchma] (?It) already has its symbols, as decided by the Supreme Council, so every president, so to speak, must reckon with it.

[Kulyk] A Donetsk television viewer [name indistinct]: Why does Russia's parliament support you? What a strange question.

[Kuchma] I have never heard about this.

[Kulyk] [words indistinct] [Name indistinct] from Odessa disagrees with the term of economic (?inflation), often used by you. This was his first question, followed by a sort of explanatory question: Does it matter if a state has natural resources (?or not)? There are examples in the West. What is most important is how to manage the economy of a country.

[Kuchma] [passage indistinct] "Our economy's energy consumption is high. To a unit produced, we use much more energy resources than any other country."

[Kulyk] Nine times more in 1990.

[Kuchma] "There you are. So that is the question."

[Kulyk] At the same time, if we consider, as citizen [name indistinct] from Odessa proposes, the example of Japan, [words indistinct] importing energy sources and so on. Their industry, however, allows them to produce...

[Kuchma, interrupting] [Words indistinct] It has dollars, while we have neither dollars nor reserves.

[Kravchuk] Dollars should be earned and everything will be all right.

[Kuchma] Yes.

[Kulyk] A serviceman [name indistinct] says that the mass media are imposing upon public opinion the idea that electing Kuchma equals the loss of independence by Ukraine. You are asked to comment on that statement.

[Kuchma] "I am grateful to Leonid Makarovych who at the beginning of his speech, when there was reference to war and so on, made it clear that, indeed, there were people in our teams who could smash themselves to pieces, so zealous were they. So let us not make some sort of opponent of state independence of our country out of me. Believe me—you can look back to July 1990 and August 1991—I as a people's deputy voted for Ukraine's independence and its statehood. So let us now build this

statehood, because we can only be independent when our economy is strong. Until then, it will only be talk with us, our hand stretched out, going around the whole world."

[Kulyk] Another building question. It might have been avoided had it not been for 15 calls of the same kind. By way of a short introduction to this question, Leonid Makarovych's Swiss dacha has already been talked about several times. There now are similar calls to Leonid Danylovych. Here is a question for you: Where has he got the money from to build a $180,000 dacha on (?Kozinka), word by word. Kozinka is a river resort near Kiev.

[Kuchma] "I do not even know where this is and (?in what part of the world this is). Tell me please, what do I need it for?"

[Kulyk] [Passage indistinct]

[Kuchma] "Unfortunately, it very much hurts and offends me that, as they say, the goal justifies the means in this presidential race, God forbid. If we indeed are moving toward a democratic state, let us treat all these problems in a civilized manner. (?If there is anything for anybody to be held responsible for, they will be held so). We, indeed, have law enforcement agencies and if there appears a publication about anything, the procuracy should react immediately. [Words indistinct]. Every individual, including the president or myself as a presidential candidate, should be equal before the law."

[Kulyk] This is exactly what we are doing, giving answers to direct questions live on the air.

[Kuchma] [Passage indistinct]

[Kulyk] Olena Volodymyrivna Kutsenko from Dnepropetrovsk has two questions: Will we have a puppet regime if you are elected president? This is the first question. The second is: What kind of relations did you have with the KGB?

[Kuchma] [Words indistinct] "If the woman who puts this question is from Dnepropetrovsk, she can easily make inquiries there. So, I have never been used to being a vassal. I am a very independent man [words indistinct] then excuse me for God's sake.

"As far as my relations with the KGB are concerned, I would like to say: go and ask at the plant [as heard] and you will be told that they were writing reports on me [words indistinct] that I was taking a nationalist stand, that I had no right to be general director of Yuzhmash [southern machine missile plant in Dnepropetrovsk], and that the entire country's defense could not be entrusted to me. Also, special commissions were arriving. I have not been saying anything about this, but I am obligated to reply to such a premise.

"As for the enterprise, as at any large military plant and design bureau, there was a service of the State Security Committee [words indistinct]."

[Kulyk] We still have time for several more questions. Serhiy Yakovych Semenyuta, a pensioner, asks you, as follows: Leonid Danylovych, can you really not understand that the fate of Ukraine in union with Russia is that of [words indistinct]? A stronger nation always absorbs a weaker one.

[Kuchma] "I can quote thousands of examples of [word indistinct] weak and strong nations existing alongside of each other and no one asks any questions. I am simply saying that if our economy will be as weak as it is today and the destruction of the economy continues, what you asked me about will really happen."

[Kulyk] And the last question—not because it is the last one to be asked of you but because we are running out of time. [Passage indistinct]

[Kuchma] "Any leader of any state, such as I when I was premier and Leonid Makarovych today being president [words indistinct] today had a conversation with the Russian president. Russia will ... [pauses] Russia is our great neighbor and we, after all, have to take this into consideration. [Words indistinct] should be good-neighborly, while relations between presidents and premiers should be friendly.

"I would like to give you an example of a conversation with Mr. Kohl when he visited us and we talked, as they say, tete-a-tete, so called customarily. So he said that it was quite correct, he said, that you are establishing normal relations with [word indistinct] all neighboring countries, he said, (?friendly) relations. It will soon be 10 years, he said, since I became German chancellor. I recall the beginning of relations between Germany and France and their relations today. It is, he said, chalk and cheese, owing to my human and normal relations with the French president. We, he said, have (?at least) two meetings a month or once a month, I forget, and exchange calls weekly. So I would like to have friendly relations like that with all our neighbors and those who are not neighbors, because in many respects they determine both states' policy."

[Kulyk] For the next 10 minutes, there will be questions to Leonid Makarovych and, if we have time, there will also be a brief discussion. I shall ask Leonid Makarovych (?two questions) at once because they are similar. Bohdan Ostrovskyy from Kiev asks: Will there be the equality of all religions? And Valeriy [word indistinct], a clergyman asks: How do you see the role of the state in overcoming the crisis within the church? I think that these questions are similar.

[Kravchuk] There by all means will be religious equality and these are not just words. We have taken important steps both legislatively and directly in contacts and meetings with representatives of various religions. We have taken such steps as, if you like, to lay the foundation for us to have concord. I was before and am now precisely for this concord, for (?every) religion to have (?equal) opportunities. I beg your pardon, what was the second question?

[Kulyk] What can the state do for interdenominational accord?

[Kravchuk] The state has to create equal conditions, [pauses] the state has to ensure equal conditions, to ensure rather than create, primarily legislatively, and has to avoid directly interfering in interdenominational matters. If the state does interfere and prohibit something or support something, there will be no peace and accord between the churches then. I believe that Ukraine will by all means put an end to interdenominational conflicts. There still are some but they will end, because we shall do [passage indistinct]. I have been dealing with this problem for a very long time, and know all its subtleties and know what is needed (?to change the situation for the better).

[Kulyk] Leonid Makarovych, Anatoliy (?Kuzmin) asks you (?as follows): When will you do away with the mafia, corruption, and the businessmen who are selling our country?

[Kravchuk] I can say this: Nobody will be able to do away with the mafia conclusively; this is unrealistic. I would simply like to recall that Italian film, Octopus (?which you might have seen). [Word indistinct] there is the mafia today in Italy and in other countries. Another matter is that we have to end and we shall end that, let us say, caveman-like attitude of today toward plundering, towards the initial accumulation of capital and toward various violent forms of pressure upon the people. We shall have to protect their freedom and protect their right to life and the right to free participation in production. This is what we have to do and what we shall do. We do need some time, however, because, as I have already said, there are two ways. One of them is, let us say, the way of command and administration, when an individual can, for example, be unlawfully arrested, imprisoned, or undergo some other ordeal depending on what intentions there are. The second is that of democracy and law. We have taken the road of democracy and law, which does not at all mean that the law should be ill-considered and our actions be weak. We need some time and we shall certainly do it.

[Kulyk] For the sake of saving time, I shall no longer name callers. If the people confirm your powers as president, what will be your key personnel policy in Ukraine in future?

[Kravchuk] Professionals and the people, dedicated to the state, the people protecting the interests of Ukraine, protecting them in all areas, in the economy, in politics and diplomacy: supporting and serving the people. In no way selection according to their party affiliation or anything like that. The only principle there should be is professionalism, commitment, and honesty. Anyone from the president to a rural council chairman has to have a position, a clear and understandable position, and for that position not to change according to the situation or adapt to the situation. The president has no such right. The president protects the state. If he does not protect the state and does not protect the people, there is no need for that president. This is what I have said, do say and shall say.

[Kulyk] I have to name this caller: Colonel Kravchuk, a member of staff at the Defense Ministry, asks President Kravchuk: You announced a wage increase from 1 July. Is this a preelection trick or reality?

[Kravchuk] I have never announced anything like this in the first place. As far as I know, this was a report in the mass media from the Defense Ministry. What I said was that the government had been instructed to make ready the appropriate documents. This is so and the government is at work. It is even possible to say this: Today, I had a conversation with Deputy Premier Shmarov and this document is ready. I said, however, that I would not sign it exactly to prevent questions like this, accusing me of signing the document before the election to win over a certain section of the votes.

[Kuchma] There is a telegram from the defense minister to everybody on an increase...

[Kravchuk, interrupting] But this does not guarantee....

[Kuchma] ...About wages and rations and so on.

[Kulyk] Here is the information first-hand that it is not signed yet.

[Kuchma] I was shown this telegram.

[Kravchuk] Not signed.

[Kuchma] I was shown it yesterday in Donetsk.

[Kravchuk] I cannot sign it, I repeat once again, because it can be used against me. It will be signed after the presidential election. Who will sign it? Whomever is elected will sign it.

[Kulyk] Leonid Makarovych, there are quite a lot of questions of the following nature: Will there be a settlement to the issue of awarding pensions according to the length of service?

[Kravchuk] Exactly so. Our additions and changes that were made to the law make provisions for a link with the length of service, the current level of pension and other, let us say, factors affecting the life of this individual or another, in order to protect primarily those who are in need of it.

[Kulyk] Once again a question on compensation for deposits in savings banks. Why is it that calculations are made from 2 January 1992 and not from an earlier date?

[Kravchuk] Because that was the time when we finally separated our, shall we say, savings deposits from those of Russia. That was the time of finally determining our financial position (?after the disintegration of the USSR), if you like. So we take that time, rather than 1990 or 1991.

[Kulyk] Now a question to you concerning the fate of the current contenders for the post of the president. What is your assessment, Leonid Makarovych, what is your attitude, Leonid Makarovych, towards Lanovyy and Babych as (?young Ukrainians)? If you win, will you give them leading posts?

[Kravchuk] Firstly, this will in many respects be up to them and depend on what positions we are talking about. My opinion is that the people who have already entered the arena of the presidential election, have certain (?weight) by virtue of the very fact of participating in the election. Perhaps, they are seeking high-ranking posts. Nevertheless, they are intelligent people who have interesting ideas and programs. In other words, everybody's ideas have to be used to the maximum, (?with that someone in a professional capacity). I think that (?all of them) have to be used.

[Kulyk] Leonid Makarovych, what is characteristic is that there are very many personnel questions. What were your motives when dismissing Masol from his post two years ago and returning him his premiership now?

[Kravchuk] I would like to make it clear: I did not dismiss Masol from his post. It was the Central Committee of the Communist Party of Ukraine that dismissed Masol from his post and he himself, by the way, said that. He was invited to the Central Committee and was told: You have to go now. That was agreed with Mikhail Sergeyevich Gorbachev at the CPSU Central Committee. Vitaliy Andriyovych then wrote a letter of resignation. Yes, there was pressure, but he wrote his letter after he had been to that meeting with (?Ryzhkov) and the meeting at Ukraine's Communist Party Central Committee. I was informed about this after the fact. At that time, the Central Committee reigned.

[Kulyk] Leonid Makarovych, we have time for the last question. (?Mykolenko) from Kiev fears that if you are elected as president (?for the second term), will you not (?make use) [words indistinct]

[Kravchuk] You see, this is not at issue now. On the contrary, the issue as I raise it now is that of cooperation between the Supreme Council chairman, premier, and president. Some of the first steps in this respect, incidentally, have already been taken. They are very important and have been taken by us together. Unfortunately, however, there are, as I said, certain forces in the Supreme Council, which after the presidential election will once again start problems, let us say, by fighting for powers, now granting powers and then withdrawing them, now talking about the head of state and then about the head of executive power. If all this is constantly stirred up, let us say, in parliament, even a young president, even a well-composed (?Englishman) will not be able to tolerate it and will have to decide for himself whether to lay down his arms and kneel down, or defend his right which, by the way, will be given to him by the people. So the president should be reckoned with. If he is elected by the people, he has to be respected and reckoned with, whether one likes his position or one does not. Conversely, the president has to reckon with the parliament but the parliament must act lawfully and constitutionally.

Instead, publicly there are daily actions in breach of, for example, elementary moral (?truths) [word indistinct], violating our own law, i.e. the constitution. I do not mean the whole of parliament but a certain group of deputies. So how can it (?go on)? [Passage indistinct] there should be cooperation. [passage indistinct]. As president, I have so far done nothing against parliament, while parliament or a certain group of deputies has already done a lot against the president. So it so far (?has not worked).

[Kulyk] [Passage indistinct] We have not even had time to show you many citizens' questions that were prerecorded, in order to stage a debate. Since I read out the last set of figures, we have had (?200 or 300 more calls). I hope that we shall be able to pass them on to you, for you to use them [passage indistinct] to give an answer to everybody.

[Kulyk] Now, when three minutes are left, I give one minute to each candidate for a concluding speech addressed to the electorate. Leonid Danylovych, please.

[Kuchma] Esteemed electors. I am sincerely grateful to all those who cast their votes in my favor during the first round of the election. I understand that you thus supported my program, my economic and political course. Again I would like to say that I am sincerely grateful to you. I have only one request to you: To come to the polling stations on 10 July and make your choice in real terms, because 10 July is a truly historic course in our life, in the history of our state and much depends on it, our choice of the road to follow depends on it. I am sincerely grateful to you. I wish you to have hope in the future, in tomorrow. Thank you.

[Kulyk] Your turn, please.

[Kravchuk] I would also like to thank the electors who gave preference to my candidacy in the first round of the election, to my program, to my stand. By the way, it seems to me it was worth giving preference to my candidacy, taking into account the fact that from acting president, my entire life and work has been in front of everyone all these years. This is the first thing.

Second, I am grateful to those who have been following our debate with so much interest. This is probably the last debate before 10 July, when we both have spoken as candidates for president. I hope that after 10 July we will continue to cooperate despite the fact of who is and who is not elected president, because I have abided and now abide by the theory and practice according to which no steps and no actions will ever be taken against anyone that would put this person in a difficult position. I have never made any threats or hints and will never do so because I profess humaneness, law and decency, and

great deeds. The president must be a humane and responsible person, a person who forgives. As far as something the president cannot forgive, let other bodies deal with this.

I also want the electors to come on 10 July and cast their votes. It is necessary to dot the "i's" and cross the "t's" as far as the elections are concerned. It is necessary to work, to tackle the burning issues that are in the forefront today: Socioeconomic and political issues. It is necessary to think about the future, to preserve our land, our state, to preserve peace, tranquillity and accord in our state. We must enter the world as a civilized, law-governed state, as a state that does exist and will exist on the political map of the world. We must do this ourselves: The president, the Supreme Council, the government, and those people who live on our land, regardless of their nationality.

I am sincerely grateful for your patience and for the interest you displayed. I wish everyone peace, well, accord, happiness and good health.

[Kulyk] Thank you, esteemed Leonid Makarovych and Leonid Danylovych for your participation in our series of programs—100 Minutes with the Press and the Hot Line. We hope they evoked a broad enough public response. We can ourselves arrive at such a conclusion proceeding from a review of the press and the huge number of telephone calls made to our studio during the live transmission.

I hope that our programs have helped you too, dear TV viewers and radio listeners, helped you to make your choice. Concluding this program, I would like to remind you that they will not be on the air before 10 July, the next live transmission will be late at night on 10 December [as heard]. We will try to obtain data and sum up the firs' results of...[pauses] 10 July, excuse me, and sum up the first results of the presidential elections.

Thanks for your attention and for your participation. All the best to you. Till we meet again next time.

Kravchuk Addresses Nation on Supreme Council, Elections

LD0807202594 Kiev UT-1 Television Network in Ukrainian 1800 GMT 8 Jul 94

[Address to the nation by President Leonid Kravchuk; place and date not given—live or recorded]

[Text] Esteemed citizens of Ukraine, esteemed electors. The developments and the situation which took shape at the plenary sittings of the Supreme Council of Ukraine, especially after the first round of the election for the president of Ukraine, makes me appeal to you at this crucial time for the state and society.

Almost two months have passed since the opening of the first plenary session of the Supreme Council of Ukraine. Facts testify that the current parliament is becoming to an ever greater degree an arena of political confrontation, and its rostrum is used by certain forces for political reprisals. Instead of carrying out their activity according to the election programs, certain people's deputies, united in political groups, and contrary to their assurances and promises to direct their efforts to the legal regulation of the urgent, most burning socioeconomic problems, are abusing their status and using the authority of the state's legislative body to achieve their ambitious intentions, their own political objectives.

It is through the fault of these political groupings that during the time of its activities the Supreme Council of Ukraine has introduced amendments and additions to only six laws, at a time when dozens of draft laws most vital for the life of society, the state and every person have been set to one side for its consideration.

The fact that the law on the powers and functions of the elected bodies of power in the regions has not been passed, which may lead to grave consequences, evokes anxiety.

A dangerous tendency toward ignoring the Constitution and the laws of Ukraine, toward adopting the enforceable enactments which contradict the fundamental law, has taken shape at the Supreme Council, which made me, the president of Ukraine, to use the right of veto of the parliament's work. Such practices in the work of the legislative body may lead to the ruination of the legal system in Ukraine, disorganization of the activities of the state and all other structures, and to catastrophic consequences in the life of society.

The main figure with whom certain forces are trying to deal, with the help of parliament, is the popularly elected president of Ukraine. Separate people's deputies, representatives of political groups, take the first available opportunity to use the parliament's rostrum to discredit the president of Ukraine, and use any means, including dubious ones, to carry out propaganda against him as a candidate for the president of Ukraine. They also exert open pressure on the electorate.

The consideration of issues which are beyond the competence of the Supreme Council, or issues which have nothing to do with law- making activities, but which can be used directly or indirectly for political purposes so as to accuse the president of Ukraine groundlessly and with bias, to cast doubts on various actions he takes and decrees he issues, is groundlessly imposed on the Supreme Council.

An example of this, in particular, is the fact that several days before the elections the Supreme Council of Ukraine, in violation of the Election Law, raised the question of violation of equal opportunities in carrying out electioneering by the candidates for the post of president of Ukraine, which allegedly took place in the course of the election campaign. In this case the Supreme Council of Ukraine exceeded its powers. In compliance

with the Election Law an appeal against such actions must be submitted to the Central Electoral Commission or considered in court.

The president of Ukraine is groundlessly accused of all mortal sins. They simply slander him. Many cases, which are not fully investigated, unverified documents and materials, unconfirmed reports and newspaper publications, including the foreign press, and falsified, juggled and artificially extracted reports that are used out of context are used for this purpose. Such attempts are made despite the fact that in compliance with the Election Law, one week before voting day, unverified materials which compromise a candidate for the post of president of Ukraine cannot be made public through the mass media. All this cannot be assessed as anything other than an obstacle in the way of the free exercise by the citizens of Ukraine of their right to elect and to be elected. The creation of such an obstacle is liable to legal prosecution. Unfortunately, some deputies ignore the law, being guided by the decisions of the parties to which they belong.

Therefore, such a dangerous tendency by certain political forces has the nature of a preplanned political action, the main aim of which is an attempt to put the current head of state in a bad light and influence the results of the voting at the elections for the new president of Ukraine at all costs.

I have been and remain an adherent of constructive work with the Supreme Council of Ukraine. My work with the previous Supreme Council confirmed this very approach, but I cannot but see those difficult processes which took shape in the Supreme Council, and I cannot keep silent and I cannot but bring them to the knowledge of the citizens of Ukraine.

In my appeal to the electorate I would like to express my deep conviction that the citizens of Ukraine will come to the polling stations and will make their correct choice independently, displaying high civic consciousness and wisdom, balance, and common sense, upon which choice the future of our state and democratic development of Ukraine depend.

Thank for your attention.

Corrects Published Version of Address

LD0907205994 Kiev UT-1 Television Network in Ukrainian 1800 GMT 9 Jul 94

[Text] Now here is a statement by the press center of the president of Ukraine:

For technical reasons, words were omitted in the text of the statement by the president of Ukraine of 8 July, published in today's newspapers, without which the essence of the statement changed essentially.

The text of the statement that was broadcast by Ukrainian Television and Radio says, in particular: I have been and I remain an adherent of constructive work with the Supreme Council of Ukraine. My work with the previous Supreme Council confirmed this very approach.

Therefore, the president of Ukraine comes out for cooperation with the Supreme Council. He did not make it his task to assess the activities of the entire Supreme Council and, in general, to make any assessments now. The statement dealt specifically with the political maneuvers of certain groups and groupings that complicated the work of the parliament session on the eve of the elections and that were trying to influence the course of the election campaign.

The president of Ukraine is against confrontation among the power branches, the more so because positive examples of interaction among them exist.

That was a statement by the press service of the president of Ukraine.

Views Relations With Supreme Council

LD1007214394 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 10 Jul 94

[Excerpts] Today, at polling station No. 4 of Kiev's Starokievskiy Rayon, President Leonid Kravchuk cast his vote. He was interviewed by a correspondent from national radio and TV here at the polling station.

[Begin recording] [Unidentified correspondent] [Passage omitted] Not only as a citizen, but also as the president of Ukraine, you attempted to find ways to cooperate constructively with other branches of power and the executive power, for example with the both the new and old composition of the Ukrainian Supreme Council. What are your wishes to the person who will be elected for the next term with regard to cooperation with the Supreme Council?

[Kravchuk] There cannot be any other way other than cooperation. But cooperation must be built on the basis of principle, the Constitution, and laws that exist in Ukraine. That is the first point. Second, there should be a mutual desire to work constructively on the part of the president, the Supreme Council, and other branches of power. If such a mutuality exists then it is only natural that such constructive work will exist. But if one side will (?aspire) and the other assumes an unassailable position or always exceeds its powers in relation to the other side, then it is obvious that it will be very difficult to expect constructive work.

I had the opportunity of working with the old parliament for two and a half years and people saw how many steps were taken that did not allow one to cross the line at which not simply misunderstanding, but confrontation begins. I always did this and from the first days I took up namely this position with the parliament that was based on the Constitution, the laws, and everything else that is connected with it, and also the aspirations to work normally with the present Supreme Council. There was no confrontation and even in the latest statement that I

made, I again drew the conclusion that the president should work constructively with the Supreme Council. But the Supreme Council should be aware that the president is popularly elected and so is the Supreme Council and we should respect one another.

Both the president and the Supreme Council should have respect. If there are some grounds for making accusations then facts should be produced. They should be analyzed and given to the appropriate structure, or say the Constitutional Court. It is necessary to create and incidentally, I supported and continue to support its [Constitutional Court] creation. These accusations that are directed at the president have absolutely no grounds. I gave a proposal to the Supreme Council and should there be a need, and if I am elected president, then I will immediately submit these proposals to the Supreme Council on the day that it is necessary to submit them. They need to be submitted to the Constitutional Court or other departments, they should be examined and told who is to blame and what the facts are. That is all I want, nothing else. But if there are no facts and there is talk of somebody saying something somewhere that until this is done then we will not do this, then this is already beyond the boundaries not only of the parliamentary (?culture), but we are simply talking within the boundaries that are difficult to assess. Everybody should be responsible for their words and positions because we are talking about very important things. The parliamentary rostrum should be used in a serious manner, lawfully and constitutionally. If we do not have this then I repeat, there will always be problems regardless of who is president. [end recording]

Supreme Council Responds to Address

LD0907210794 Kiev UT-1 Television Network in Ukrainian 1800 GMT 9 Jul 94

[Text] A statement by the press center of the Supreme Council of Ukraine:

The press center of the Supreme Council of Ukraine is authorized to express its opinion in connection with the statement by President of Ukraine Leonid Kravchuk made on 8 July 1994.

The analysis of the documents of the Supreme Council sessions and the situation at its working bodies proves that the statement is biased.

The fact that such a statement was made at a time when the formation of the Supreme Council has been completed and the main trends of the country's economic policy have been determined by it evokes surprise.

It is sad that the statement was made on the eve of the elections, and it can be assessed as a step toward future confrontation between the branches of power and as an attempt to doubt the expediency of the existence of the top legislative body recently elected by the people.

Refuting the groundless accusations, the Supreme Council will continue to cooperate constructively with the executive power, including the popularly elected president.

Communists Accuse Kravchuk of 'Anticommunist Hysteria'

AU0807173694 Kiev HOLOS UKRAYINY in Ukrainian 7 Jul 94 p 2

["Statement by Ukraine's Supreme Council Deputies Faction 'Communists of Ukraine for Social Justice and Power of the People'"; date not given]

[Text] During the election campaign, unfounded accusations have been made in some candidates' speeches and in the mass media against representatives of left-wing forces.

Extensively using the theme of the threat of civil war in the event of electoral victory of the left-wing forces, the president of Ukraine is trying to picture himself as the only politician capable of ensuring peace and quiet in the Republic.

To that end, the state-controlled mass media, and first and foremost radio and television, have been used, as well as official bodies involving the president and his supporters.

Particularly impertinent are the national extremists in Ukraine's western oblasts and also in the capital of our state, where genuine moral terror has been waged against the Communists and the Socialists.

Unfortunately, the Central Electoral Commission, the district or territorial electoral commissions, and high-ranking state bodies, which are to adhere strictly to the constitutional law and order, have not reacted to these facts.

We decisively protest against this anticommunist campaign, which is being waged again even more intensively during the preparation for and holding of the elections. High-ranking officials, including the president, are taking part in it.

We demand that this campaign be stopped immediately. We indignantly reject the misstatements to the effect that Communists will strive, in the event of victory for the left-wing forces, to return to old orders, resort to terror, and settle accounts with representatives of the present administration.

Unequivocally condemning the present antipeople regime and coming out in favor of a change in the bankrupt and intrinsically antipeople political course, the Communists are consistent in implementing profound transformations, dictated by life, in the interests of working people.

We are in favor of strict adherence to the principles of the power of the people, and law and order and against

any decisions or actions aimed at further capitalization of the economy and other spheres of social life and against depriving the working people of their social gains acquired over the years of Soviet power.

We call upon all citizens of Ukraine to vote at the elections on 10 and 24 July 1994 for those candidates who will truly defend the interests of Ukraine and of its people.

We appeal to all state-controlled mass media and to all bodies in charge of implementing the electoral law to ensure meticulous adherence to its demands and equal possibilities for all candidates and to rule out the possibility of taking advantage of the election campaign to stir up anticommunist hysteria, discord, and hostility in society.

Let us maintain civil peace and harmony in our home.

Kuchma Warns 'Grave Consequences' if Elections Fail

LD0807214494 Moscow ITAR-TASS in English 2009 GMT 8 Jul 94

[Report by UKRINFORM-TASS]

[Text] Kiev July 8 TASS—Presidential elections in Ukraine may be broken by the non-presence of the electors, presidential candidate Leonid Kuchma said here today in view of the second election round scheduled for 10 July.

"If the elections fail the Ukrainian developments will become dramatic and have grave consequences. That is why, everyone should realize one's responsibility for the Ukrainian future, come to the polling stations and make one's choice," Kuchma said today.

Kuchma Asks for Stronger Control Over Election Count

LD0907161794 Moscow INTERFAX in English 1513 GMT 9 Jul 94

[Text] On Saturday Leonid Kuchma, candidate to the Ukrainian presidency, addressed Chairman of the Ukrainian parliament Aleksandr Moroz, Ukraine's Supreme Soviet and Central election commission with a request to strengthen control over summing up results of the second round of elections on July 10.

The address says that "a mass falsification of the elections' results is again being prepared in the Rovno region."

According to Kuchma, at the meeting of chairmen of district election commissions Friday Chairman of the Rovno election commission V. Netiksha urged not to invalidate unused ballot-papers but to transfer them to the district election commission.

The address underlines that when asked about appropriateness of such "an indecent violation" of the law Netiksha declared that he is guided by a secret instruction of the Central Election commission Chairman Ivan Yemets.

Given the above mentioned facts Kuchma deems it necessary to consider Netiksha's statement and to institute criminal proceedings against him in case these facts are proved.

Kuchma also asks to consider the issue on the activity of the Central Elections commission and district elections commissions in the Supreme Soviet.

Leonid Kravchuk, Ukraine's present president, will be Kuchma's contender at the presidential elections.

Supreme Council Head on Presidential, Deputies' Elections

LD1007114494 Moscow ITAR-TASS World Service in Russian 1015 GMT 10 Jul 94

[UKRINFORM correspondent Viktor Kovalenko and Raisa Shevchenko from TASS]

[Text] Kiev, 10 Jul—During voting at a polling station in the capital, Aleksandr Moroz, chairman of the Supreme Council of Ukraine, today expressed confidence that today's presidential elections would be deemed valid and that no contradictions would arise between the different branches of power.

In the opinion of Aleksandr Moroz, it has been possible to avoid a diarchy in Ukraine by adopting the appropriate laws and forming state structures. He hopes that during the by-elections of Ukrainian people's deputies on 24 July approximately a further 70 people's deputies will join parliament, but in his opinion this will not change the alignment of political forces in the Supreme Council. The chairman of the Supreme Council stressed that the current presidential elections will further the consolidation of society and closer cooperation will continue in parliament and he will influence more actively all aspects of public life in Ukraine.

Kuchma Votes in Dnepropetrovsk, Comments on Election

LD1007202194 Kiev UT-1 Television Network in Ukrainian 1800 GMT 10 Jul 94

[Excerpts] Good evening. I have the latest information on the progress of the elections from this oblast headquarters. Elections in Dnepropetrovsk are valid. According to preliminary calculations, as of 2000 hours [1700 GMT] almost 65 percent of the electorate voted in the oblast. [passage omitted]

In the center of the town at polling station No. 938/3, which is in Zhovtnevyy square, Leonid Kuchma, candidate for the post of president of Ukraine, cast his vote. He said that there was no political sub-text to his stay in Dnepropetrovsk and added that it was somewhat more hopeful at home.

[Begin recording] [Kuchma] I should have gone down this path, as they say, right to the end. So I will not make any tragedy out of this.

[Unidentified correspondent] In your view, will you win today, will Kravchuk win, or will nobody win?

[Kuchma] I am afraid that the elections may not be declared valid. We need order in our state. If such disorder continues, then there can be no programs—even the best programs or reforms—because power will not belong to the state but to other structures. More often than not they will govern over us. The future for our state is tomorrow, and for me this is the most important thing. Whether I become the president or not, I will work so that people have some hope. If Leonid Makarovych [Kravchuk] wins, then—above all—I will congratulate him and wish him success. As a deputy and as president of the Union of Industrialists and Entrepreneurs, I will work on this. The main thing are the people, work, and tomorrow. [end recording]

Election Violations in Kharkov Oblast 'Insignificant'

LD1007180894 Kiev UNIAN in Ukrainian 1700 GMT 10 Jul 94

[Text] Kharkov, [no date as received]—At 1600 hours on 10 July, 53.4 percent of the electorate had voted in the oblast. The elections were valid in all rural rayons and in towns of the oblast's jurisdiction, apart from Kharkov and Pervomaysk. Voters in rural localities were very active, and between 80 to 86 percent of peasants had voted in some rayons.

Observers noted insignificant violations of the voting procedure; for the most part, issuing ballots without proof of identity. In one of the polling stations of Kharkov's Kiev Rayon, Commission Chairman Shevchenko refused to allow observers to enter the polling station despite the fact that they showed him their certificates. At several polling stations of Kharkov's Dzerzhinskiy Rayon and also in the village of Peschanoye, members of the electoral commission spent many hours campaigning for Leonid Kuchma themselves.

Kravchuk Says No Change in Relations With Russia if Elected

LD1007123394 Moscow ITAR-TASS World Service in Russian 1121 GMT 10 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 10 Jul—"If I am elected president of Ukraine, my moves in relations with Russia will not differ from present policy," Leonid Kravchuk stated to journalists today when he voted in the elections for the Ukrainian head of state. "I have been and remain in favor of cooperation and normal equal and friendly relations of partnership with the Russian people and the Russian president and government," he noted.

At the same time Leonid Kravchuk considers that "first and foremost it is essential to make a realistic move towards solving the problem of dividing the Black Sea Fleet and also to resolve matters relating to the border and to customs." In his opinion there have been enough accords between Ukraine and Russia that, unfortunately, are not yet being fully implemented. "We need therefore," Leonid Kravchuk stressed, "to make amendments and additions to them in order eventually to arrive at a large-scale treaty of friendship and partnership between the two states."

Kravchuk To Remain President if Election Invalid

LD1007162694 Kiev UNIAN in Ukrainian 1330 GMT 10 Jul 94

[Text] Kiev [no date as received]—On 10 July, commenting on the situation that can emerge if the presidential election is invalid, Leonid Kravchuk pointed out that he will remain in his post in this case; "however, the president's powers will diminish."

Touching on Ukraine's policy toward Russia, to be conducted if he is elected for a second term, Kravchuk said that there could be only two variants of this policy: "a good policy and a very good one." The head of state, according to Kravchuk, should always feel that he is the president of the nation, and in his actions he cannot conduct this policy standing on his knees. In Kravchuk's opinion, after a number of problems are resolved it will be necessary to get down to signing a large-scale agreement between Russia and Ukraine.

The president expressed his conviction that the G-7 members should have invited Ukraine to their meeting to obtain first-hand information about its problems in order to assess the situation without bias. He positively assessed the decisions taken by G-7 on extending financial aid to Ukraine. Kravchuk expressed his belief that these decisions were made not only in the interests of Ukraine, but also in the interests of Europe and the entire world.

Commenting on the situation in Crimea, he remarked that there were no obstacles whatsoever in the way of establishing economic and cultural relations between Russia, its specific structures, and the Republic of Crimea—Ukraine's constituent part. "However, on the peninsula they should admit the fact that the laws and the Constitution of Ukraine are valid on its territory. As for the rest, we will resolve this without any confrontation and force," stressed the Ukrainian president.

Kravchuk is convinced that it is necessary to look for more effective and rational forms of relations and coordination of cooperation within the framework of the CIS countries.

Replying to a question on whether any data on falsifying the results of the election in Leonid Kuchma's favor was available, the president said there were no grounds so far to speak about this, because no relevant documents were available to the Central Electoral Commission. "I also have information that ballot papers were prepared at one military unit with my name crossed out in advance; however, there is no document to confirm this data," he remarked.

Kuchma Advocates 'Strong Presidential Power'

AU0807100294 Kiev HOLOS UKRAYINY in Ukrainian 6 Jul 94 p 2

[Report by Hanna Romantsova: "Ukraine May Be Won Over in Two Ways: First—Economic Dictatorship, and Second—Economic Cooperation"]

[Text] "Ukraine may be won over in two ways: first, through economic dictatorship, and second, through economic cooperation," Leonid Kuchma stated at a news conference with representatives of Ukrainian and foreign mass media that was broadcast live. Regarding the fundamental principle of his election campaign—the restoration of ties with Russia—the presidential candidate emphasized that the political union signed by Ukraine in 1991 and ratified by the Supreme Council already exists. "I only tried to fill it with economic meaning from the very first days of my premiership.... Unfortunately, I did not get understanding in Ukraine."

Leonid Kuchma believes that his greatest personal achievement as head of government was the fact that total decline in production could be stopped (according to his estimates, it amounted to 7 percent last year) against the background of the unprecedented level of inflation and the 1,000-fold price increase. As for Ukraine's debts, in the opinion of the ex-prime minister, they accumulated prior to his coming to the cabinet, precisely when all financial settlements were monopolized by the Central Bank of Russia.

Having come out in favor of strong presidential power, Leonid Danylovych [Kuchma] stressed that all problems and possible conflicts with the Supreme Council should be resolved through cooperation and mutual understanding.

As for the problem of nuclear weapons, the presidential candidate thinks it impossible for Ukraine to resolve it without Western assistance.

Asked whether he had, at his disposal, facts of falsification at the first round of presidential elections, the candidate answered in the affirmative. Despite the unequal possibilities of the candidates in conducting the election campaign, Leonid Kuchma stated that he was sure of his victory.

Kuchma Outlines Economic Priorities

WS0807113094 Kiev MOLOD UKRAYINY in Ukrainian 6 Jul 94 pp 1, 2

[Article by presidential candidate Leonid Kuchma: "The People of Ukraine Deserve Better"]

[Text] I have always been and remain a consistent supporter of cardinal economic reforms which could lead our state to a qualitatively new, higher level of development and provide for our becoming an equal member of the world community.

During my trips across Ukraine, I have often been asked: Could it happen that new economic reforms result in more impoverishment of the people? Currently, the prevailing majority of our citizens can hardly make ends meet and have no opportunity to buy even the most necessary items.

I always answer that Ukraine has not yet been subject to reforms. What the powers-that-be call "reforms" are in reality a shocking robbery of the state's riches, which, due to Ukraine's economic potential, could ensure a decent life for all of its citizens and one of the highest living standards among the advanced European states.

As for the social, and, maybe, moral aspects of the real—not staged—reconstruction of the economy, I am deeply convinced that if any reforms result in a worsening of the people's lives, they are extremely immoral and cannot lead to any positive results in the economy, as well as in politics. Reforms should be implemented, however, not at the expense of our people, who are already bearing the burden of changes, and not for satisfying someone's imaginary ideological dogmas or political ambitions. Reforms are aimed at improving the people's lives. If otherwise, these are not reforms but antireforms, which could throw us back to the past; a specter some of our politicians like to use to scare us. A state should protect its people but not resolve issues at the people's expense. I am sure that if politics are guided by great aims they, nevertheless, should be subordinated to people's interests. I have always adhered to this principle.

I am a stable supporter of Ukraine's course to build not just an abstract market economy, but a market economy which will provide for the social protection of the people. Therefore, there is no question about the further impoverishment of the people. On the contrary, I am convinced that it is possible to considerably increase pensions, scholarships, and child and welfare benefits by reviewing our budget expenditures.

Resources for these purposes will be found not in the mythical treasures of Polubotek [wealthy Cossak hetman] but with the aid of clear, specific, and straightforward measures. I am convinced: The reason for the situation when the powers-that-be do not conduct reforms is not because they are so unprofessional—there are sufficient experts in our executive bodies. The reason

for this is that it is unprofitable for some politicians: It is common knowledge that it is much easier to fish in troubled waters.

I would like to specify in this regard a number of key issues enabling us to earmark additional funds for the social sector, to allocate substantial resources for all less-fortunate segments of society.

It is absolutely necessary to carry out fundamental reconstruction of the budget to replenish funds for pensions, child relief, health care, and kindergarten maintenance. This issue is closely connected with introducing amendments to the taxation system. It seems to me that the current tax structure is aimed only at enriching our unscrupulous officials and Mafia structures, who are currently real masters of the state. The structure of our economy is aimed at concealing considerable portions of profits from the state. At the same time, it is absolutely unprofitable to produce goods and engage in scrupulous business. The same refers to the fixed rate of the karbovanets, which, no doubt, devastates our state.

Billions of dollars will stem the current devastation of the state. According to estimates by authoritative experts from abroad and the Ukrainian Security Service, over $15 billion have been transferred to secret accounts in Western banks over the last three years. In my opinion, the state must do everything possible to do away with corruption and Mafia structures whose profits, most likely, exceed all our entire national income.

In addition, the economic reforms that are under way [as published] will attract considerable Western investments to our state and that will also speed up the process of overcoming the crisis. Wealthy industrialists and financiers from the United States and Germany—during our talks [not further specified]—said that there is no sense speaking about investments under the current government, however, these investments could become reality when we begin reforming the national economy and approach the global standards of civilization.

Speaking about the difficult issue of the social protection of the people, I cannot pass over the dire, sometimes catastrophic, situation of senior citizens in silence.

We all owe a great deal to these heroic people who have worked hard all of their lives for the welfare of the state, and who have currently became beggars because the state leadership is robbing the state. First of all, a mechanism regulating the issue of compensation for devalued bank savings—which were amassed over decades—should be drawn up. The fact that these bank savings have become nothing more than paper is an everlasting disgrace to all of our state leaders who did not care to protect the interests of the millions of their countrymen.

I am convinced that the government, alongside the Supreme Council, will be able to resolve the issue regarding the indexation of people's accounts and restore justice.

This should have been done in practice and not by issuing edicts on regular, "urgent measures" during the election campaign—which, of course, will never be carried out. It is disgraceful to take advantage of people's sufferings and tragedies to promote oneself in political campaigns aimed at winning over a rival's desolate voters.

The next, no less important, aspect, is the need to increase pensions, which are currently nothing more than blatant mockery. As we put it, this money is not sufficient for either supporting ourselves or for arranging a funeral. It is evident that despite all our poverty, it is possible to find funds which will enable us to already considerably increase pensions over the first few months.

I would like to particularly emphasize the difficult situation of war veterans whose interests are ignored by the government, in spite of all its lofty declarations. As the son of a soldier who died in the Great Patriotic War, I am ashamed that in Germany, which lost this war, war veterans live incomparably better than our veterans who saved all of Europe from fascism. In that country, they receive substantial payments and social benefits in addition to their regular pensions. I think we should take a closer look at Germany's experience, and in the beginning, give our veterans at least a legal right to increased pensions. With time inexorably taking more and more veterans away from us, we need to do our best so they feel genuine care on the part of our state.

Another sore point is the low birth rate, which has put the very existence of our nation in jeopardy.

To reverse this process, resolute and efficient measures must be taken. Otherwise, any unbiased scientist will confirm that the process of dying out will become a reality. While our leadership has been thinking for years of how to renew the nation, the death rate is continuing to outpace the birthrate almost exponentially. Sociologists' definition of the "dying out of people" is frightening but precise.

This should not come as a surprise at a time when the price of several diapers is more than the average salary. What has been done in this matter other than the voicing of empty declarations? I cannot imagine such impenetrable and cold indifference in any country of the world when the nation's survival is on the line and when the slightest delay can make the situation irreversible...

I believe that one of the country's priorities should be efforts to devise and implement a comprehensive program to increase the birthrate and protect the interests of mother and child. That would include both material help paid to every child and the development of a vast network of kindergartens and health-care facilities for children.

We will have no future if we fail to do this.

Speaking about health care, I would like to emphasize that we should by no means allow for a paid health-care

system. On no account should it replace the free medical care that must be only promoted, not destroyed. How many of our fellow countrymen can afford to pay astronomical medical bills when they often do not have enough money to buy bread? Only very few of them.

It is another thing that, unfortunately, most of the equipment in our hospitals is obsolete, and even basic medicine are in short supply. This problem can be resolved both by increasing budget expenditures and gradually developing a medical insurance system allowing enterprises and companies to earmark some portion of their profits for improving health services for their employees.

One should also considerably raise the salaries of health-care workers. This is a disgrace for the state when an internationally renowned surgeon earns less than a chewing gum peddler. Things should not and will not look that way.

We, the Supreme Council deputies, cannot allow the state to be pushed away from handling social problems, whatever they are.

In particular, our state should ensure housing for a number of groups, such as servicemen, Chernobyl victims, and all workers of the state sector.

It would be harmful and foolishly absurd to reduce the state's role to buying and selling. In some spheres, the state should retain its domination, otherwise, the consequences would be tragic.

At present, thanks to the "utmost efforts" of the Kravchuk-Zvyahilskyy government, most of the population earns no more than $10-$12 a month, compared with $100 in Russia, which started from the same point in 1991. Since wages are not paid for months, people live on potatoes they grow near their homes.

Even with the threat of national catastrophe growing increasingly real, we should not resolve all of our problems through "shock therapy" in whatever form it may be pitched to us. It should not be forgotten that neglecting social aspects of reform has always led to a split in society and tensions, or even the threat of bloodshed. I guess the "black October" of 1993 in Moscow convinced many people of this. For me, it is absolutely clear that the IMF monetarist anticrisis recipes are not acceptable in our specific conditions. We need to cope with the crisis on our own. While the IMF considers unemployment a necessary condition for creating a market, I, as a deputy, will do my best to completely eliminate this disgraceful evil.

Hidden unemployment has already affected more than half of the active population. Has this led us to the much-desired market paradise? Which of our high-ranking officials is concerned with this? Notably, sociologists revealed clear correlations between growing unemployment and growing crime. We are a criminal state as it is, and our further marching down this road will spell complete economic and political collapse.

I am convinced that the Ukrainian people are worthy of a better lot than that prepared by the temporary rulers of this country. I believe that deputies should assume personal responsibility for the success of a new political course, without shifting it to someone else or looking for excuses in mendacious speeches and endless talk about the "building of the state" and "restoration of the nation." One needs to bring the country out of collapse and establish order, not just talk about it.

Masol on Foreign Aid, Health, Other Issues

LD1007102594 Moscow ITAR-TASS World Service in Russian 0938 GMT 10 Jul 94

[Report by ITAR-TASS correspondent Viktor Demidenko, UKRINFORM correspondent Raisa Stetsyura]

[Text] Kiev, 10 Jul—"International aid is needed to set the Ukrainian economy working and for the transition to market relations to be made sooner," Ukrainian Prime Minister Vitaliy Masol said today at one of the voting stations in the Ukrainian presidential elections. He told journalists that the World Bank was promising to grant Ukraine aid in organizing the manufacturing of medicines. "This is one of the country's main problems and the new government's first steps have been directed towards solving it," the prime minister stressed.

As to health care in general, Vitaliy Masol said medicines worth 500 billion karbovantsi had accumulated in enterprises in Ukraine. No one was buying them. Therefore, the government decided to send these medicines to hospitals and pharmacies.

Speaking of the possibility of closing the Chernobyl atomic power station, Vitaliy Masol said "first we need to solve the problem of finding new employment for the people who work at the station." "Social problems come first as far as we are concerned," the prime minister said.

Vitaliy Masol also said Ukraine would not be buying grain from abroad this year. "Today's price for grain is high enough to enable the collective farms and private farmers to sell grain to the state," the prime minister said.

Columnist Views Pros, Cons of Closing Chernobyl

WS1107083194 Kiev KHRESHCHATYK in Ukrainian 29 Jun 94 p 4

[Article by Oleh Dorozhovets: "EEC Will Take Care of the Chernobyl Nuclear Power Plant]

[Text] The Ukrainian "greens" can relax a little bit. The masters of Western acupuncture have found a new painful point in the vicinity of Chernobyl on Ukraine's body, and they are now pressing on it every once in awhile, demanding that Kiev close the Chernobyl nuclear power plant. Therefore, a tacit condition was

placed before Kravchuk in Luxembourg, while he was signing an agreement on partnership with the EEC. At the same time, German Chancellor Kohl and French President Mitterrand sent a joint letter to the "great seven" leaders urging them to address the Chernobyl problem as one of the main topics at their meeting in Naples on 8-10 July. They are also going to address this issue at the EC summit, which will be held on the Greek island of Corfu from 24 to 25 June. Therefore, although one could presume that the wounded Chernobyl giant is currently squeezing out its last few kilowatts, the process of closing it may go on for several months if not years.

Although our foreign neighbors have always been scowling at the Chernobyl plant, the current massed attack was initiated at the April conference of the International Atomic Energy Agency [IAEA] in Vienna, which, having heard reports by experts who had visited Ukraine, announced its verdict: Operation of the first and third power units at the Chernobyl nuclear power plant is becoming more and more dangerous from the technical and economic standpoints, and since it is impossible to restore them to satisfactory condition, the station must be decommissioned. A month before that, the Ukrainian Supreme Council had voted in favor of the plant's full-bodied operation.

Even though Ukrainian specialists are claiming that Western experts' assessments are too pessimistic, and that it is currently impossible to halt operations at the Chernobyl plant since this would lead to energy shortages and a decline in production (Ukraine's five nuclear power plants produce almost 40 percent of all electricity), the IAEA's arguments seem to be more substantiated.

First, 64,000 cubic meters of radioactive materials, 800-1,000 tonnes of radioactive water, 135 tonnes of "lava" created by melted reactor core, concrete, and steel, and 10-15 tonnes of nuclear fuel in the form of fine powder are encased in the Chernobyl sarcophagus, whose operational life is coming to an end. Second, Ukraine consumes four times as much electricity as France, so it would be advisable to think of ways to save it. Third, over the last six months, more than 50 incidents have been reported at Ukraine's nuclear power plants (as a matter of fact, there have been even more such events at Russian plants), and this confirms that the safety level at nuclear facilities of the former USSR is unsatisfactory. Last year's fire at the Tomsk nuclear storage facility was one of the most recent examples. Whereas one has to put up with such a situation at other nuclear power plants, the risk level is too high at the Chernobyl plant. Fourth, IAEA considers RBMK reactors to be the most dangerous in the world. According to Henri-Claude Lacosta [name as transliterated], director of France's Industry Ministry Nuclear Facilities Administration, the resolution to the Chernobyl problem may become a good example to halt the operation of similar reactors, which are still operating at the Kursk, Leningrad, or Smolensk nuclear power plants in Russia, as well as at the Kozloduy station in Bulgaria. The latter is currently being refurnished with new equipment, with the aid of Western specialists. In Germany, for example, immediately after unification, the Grafswald nuclear power plant was closed without useless laments. At a news conference held on 6 June, Petr Sorokin, director of Russia's Belakovo nuclear power station, stated that a situation similar to that which took place at the Chernobyl plant may soon occur at his plant. Fifth, the West promises assistance in servicing the Chernobyl plant and improving the secure commissioning of three new reactors at the Zaporizhzhya, Khmelnytskyy, and Rivne nuclear power plants, in exchange for the closure of the Chernobyl plant.

To explain the West's insistence with regard to the Chernobyl power plant by concern over its own security is to tell half the truth. Some people may be concerned over their health, others—over money. The chapter entitled "Nuclear Safety," which is included in the EU TACIS (Technical Assistance to the CIS) program, envisions 54 million ECU for Ukraine. Ukraine, however, is supposed to serve as a temporary storage site. One deposits something in it, and takes it away after a while. The lion's share of this sum will be deposited in the accounts of Western companies. Nonetheless, the process has already begun. The German "Fisher" company will provide the Rivne, Zaporizhzhya, and Pivdenno-Ukrayinska [South-Ukrainian] nuclear power plants with equipment to improve their level of safety (the total value of this equipment will amount to $4.5 million). Approximately the same amount of money will be produced by the tender on building a containment bunker for Chernobyl's damaged power unit. The price of the bunker will become known after the bidding is concluded. Another two U.S. companies—GPI and S3 Technology—are preparing for another bid on the construction of a simulator for the Khmelnytskyy power station. The value of this facility will be around $8-12 million. Another $5 million from Canada will be allotted for the "Inform-Chernobyl" program. Several U.S. and British companies are engaged in the liquidation of the aftermath of the Chernobyl disaster, including Hewlett Packard, HP, and Oracle. British AEA Technology will begin to operate at the Chernobyl plant to prepare to decommission the first, second, and third power units. Specialists from the French Electricite de France company are currently working at the Rivne nuclear power plant (by the way, the company is also working at the Bulgarian Kozloduy station). One should look for the prompters of the West's anxiety over nuclear safety issues exactly in the offices of the aforementioned companies.

Nevertheless, this prompter's box should not cause loathing of this assistance. One must simply understand that the IAEA is a lobbying club of companies specializing in power engineering, and foreign assistance to Ukraine is needed not by Ukraine alone. If a Scottish electrician collects money every year and sends it to children who suffered from the Chernobyl disaster, he does this wholeheartedly, but if this is done by a Cuban friend, it means that he wants certain political favors in exchange. It is good if Dr. Armand Hammer imports medicines and disposable syringes from the United States, but if he suggests that an international dumping ground for nuclear waste be built in Chernobyl, it is bad. If official Kiev becomes aware of this scale of values, it will be much easier for it to live.

Belarus

Lukashenka Elected President

LD1107011994 Moscow ITAR-TASS World Service in Russian 0040 GMT 11 Jul 94

[Text] Minsk, 11 Jul (BELINFORM-TASS)—It has just been reported to the Belinform correspondent by Professor Aleksandr Abramovich, the chairman of the Central Electoral Commission for the elections of the first president of Belarus that the presidential marathon has ended in favor of Alyaksandr Lukashenka. He was far ahead of his rival, Vyacheslav Kebich, in the second round. Approximately 80 percent of the electorate voted for Alyaksandr Lukashenka, only approximately 15 percent voted for Vyacheslav Kebich.

Unofficial Data on Victory, Turnout

WS1107081994 Minsk Radio Minsk Network in Belarusian 0700 GMT 11 Jul 94

[Text] The presidential marathon has finally ended. The second round of elections for the first president of our sovereign state was held yesterday, in which Alyaksandr Ryhoravich Lukashenka was elected. According to unofficial preliminary results gathered by the Central Electoral Commission, 80.1 percent of the Republic-wide electorate voted for Lukashenka. The other candidate, Vyachaslaw Frantsavich Kebich, received 14.1 percent of the vote. As was pointed out by the Central Electoral Commission, the second round reflected the activity of the electorate. According to the same unofficial results, 69.9 percent of those included on the list of people eligible to vote in the secret ballot performed their civic duty. This level of participation is somewhat lower than in the first round, however enough for the elections to be declared valid.

Further Details

LD1107021494 Moscow Radio Rossii Network in Russian 0100 GMT 11 Jul 94

[Text] [Correspondent] The first figures have started to come in on the results of the presidential elections in Belarus and Ukraine. According to preliminary figures received by the Belinform correspondent at the Central Electoral Commission for the elections of the president of Belarus, 69.9 percent of the electorate took part in the second round of the presidential marathon. The representatives of Brest and Minsk oblasts were the most active. The lowest activity was registered in Minsk. According to unofficial data received by the Belinform correspondent from well informed sources in the Central Electoral Commission Alyaksandr Lukashenka has been elected the first president of Belarus. Approximately three-quarters of the electorate voted for him. The counting of the votes is still continuing.

[Announcer] As our correspondent has just reported from Minsk, the presidential marathon has ended in favor of Alyaksandr Lukashenka. He was far ahead of his rival Vyacheslav Kebich. Those voting for Lukashenka were 80.1 percent, while 14.1 percent voted for Kebich.

Lukashenka Calls Friendship With Russia 'Priority'

LD1007132094 Moscow ITAR-TASS in English 1257 GMT 10 Jul 94

[Text] Minsk 10 July (BELINFORM-TASS)—Economic cooperation and friendship with Russia must be a priority in Byelorussia's [Belarusia's] foreign policy, Alyaksandr Lukashenka who is running for Byelorussian presidency said.

In an exclusive interview with the BELINFORM-TASS news agency on Sunday, Lukashenka said that if he is elected Byelorussian president, he will reshuffle the entire government, adding, however, that "honest people will remain."

Lukashenka called for cooperation with all parties and movements and early parliamentary elections in the republic. At the same time, he said "I have no intention to initiate early elections."

Asked about what he will do if he fails the elections, Lukashenka replied "I will work in the parliament's commission. If the commission is disbanded, I will return to my farm."

Hryb Says Elections Proceeding Without Obstacles

LD1007145094

[Editorial Report] Moscow Mayak Radio Network in Russian at 1237 GMT on 10 July carries a four-minute live report on the Belarusian elections. Mayak correspondents Pyotr Mokritskiy and Yuliy Semenov reported from Minsk on the presidential elections.

Mokritskiy interviewed Myachelsaw Hryb, chairman of the Supreme Soviet of Belarus, at polling station number four this morning. Asked about how the elections were going, Hryb replied:

"The elections, the second round of the elections are proceeding in an organized manner. All the polling stations were opened by 0700. All members of the electoral commissions, the heads of the electoral commissions were on the spot. The ballot papers are in place. There is everything for the voters to come to the polling stations and express their wish through their vote. Nobody put any obstacles in their way. There were no questions."

Mokritskiy next: "If the republic acquires a president will that help resolve the economic and political problems? Are you convinced that will happen?"

Hryb replied: "There is no doubt that will help. But a great deal will depend on the president."

Mokritskiy then said: "Specialists, including from the Central Electoral Commission, are unequivocal—if voting continues at the same pace the second round of the elections will be deemed valid and will most likely yield a result, which is why the elections are being held. The votes have not been counted yet. Permission was given to count the votes only at some closed polling stations where voting has ended, where the number of voters is clearly defined. Alyaksandr Lukashenka is far ahead—but as they say, we won't jump the gun. We'll wait for the preliminary results at least and then we'll pass judgment."

Yuliy Semenov said: "We asked if there had been any violations of the law during the elections and went to the headquarters of the candidates and asked foreign observers. So far, there are no serious reproaches on their side. That was also confirmed by the Central Electoral Commission. The preliminary voting results will probably be known by morning and we will try to report this to Mayak listeners."

Hryb Appeals for Nation To Be United; Avoid Confrontation

LD0807214594 Minsk Radio Minsk Network in Belarusian 1910 GMT 8 Jul 94

[Appeal by Supreme Soviet Chairman Myacheslaw Hryb to the citizens of Belarus; place and date not given—live or recorded]

[Excerpts] Dear compatriots, Belarusians, citizens of our dear Belarus: The presidential campaign is drawing to its end. I am being asked: What is the position of the Supreme Soviet leadership? I say now as before that the chairman and the Presidium of the Supreme Soviet and [word indistinct] are acting in strict compliance with the Constitution of the Republic of Belarus. They have done everything in order for the elections to take place, in order for them to take place in calm and democratic conditions. Staying true to my principles and my word, as a senior official of the state, I do not believe it possible to express my support today for either of the candidates. The final choice is up to the people. Whoever is elected we will respect him.

However, as a citizen and the chairman of the Supreme Soviet of the Republic of Belarus, I cannot help worrying about the recent struggle between various parties, [words indistinct] and groups in our society. In the world of political struggle personal injustices, animosities, and discontent with development of the events that have already taken place and become history are surfacing. The growing polarity of the sociopolitical atmosphere is forcing me to make a (?practical) statement. The Supreme Soviet Presidium will provide that legality and [word indistinct] in the republic are respected. It will not follow the lead of whatever political (?parties). The Central Electoral Commission will strictly control the whole procedure of the second round of the elections in order to exclude the possibility of illegal [word indistinct] influence. Conditions are created today for improving the situation in the economy of the Republic. The leadership of the Supreme Soviet is complying strictly with the adopted course. (?We are not avoiding) solving economic problems. The government is adopting effective measures to stop the production slump and to escape from the socioeconomic crisis.

Leaning on the economic links with countries of the Near and Far Abroad, a decision was made on additional allocation to agriculture of a loan of 500 billion rubles. Additional centralized and private credit sources in commercial banks are being sought in order to channel them to production and processing of agricultural produce. The purchase prices have been raised considerably. I am convinced that we will have both bread and butter. In July the minimum wage was increased to 100,000 rubles. Pensions, students' grants, and other allowances will grow respectively. A decision was made on compensating the population for losses in savings as a result of inflation. Another step has been made on the path of merging the monetary systems of Belarus and Russia. Belarus will preserve and develop its statehood that has been recognized and respected all over the world. It is respected for dignity in international relations, for stability and peace at home. We should not allow, especially in the current situation, political contradictions and contradictions between parties to lead to civil conflicts and that people be dragged into them. [indistinct passage]

I have nothing personally against either of the presidential candidates. I have respect for them. [Words indistinct] from mutual accusations and offenses by teams of the political opponents. I am convinced that our nation is above that. We deserve a better destiny [word indistinct] moral [word indistinct]. [passage omitted]

We are united by a common concern for the well-being of our people and country. Let us act for the purpose of unity and accord of Belarus, a democratic, law-governed, harmonious European state. Time will pass and today's events will also be [word indistinct] forever [words indistinct]. I would like very much, and I am sure you would like that too, for today's problems to be solved as quickly as possible. But I will be frank, [word indistinct] path [words indistinct]. Under any president. We may have different views on how it can be provided. But the main thing today is now to allow civil struggle. Only under that condition is realistic improvement of life possible for each person and family.

Therefore, I would like to appeal to those who, in the heat of political battles, use any means to achieve their ends. Forget about fuss, restrain your ambitions, remember that any violation of the law [words indistinct] will be investigated carefully and assessed properly by law-enforcement and justice bodies of the republic, regardless of the results of the elections.

Esteemed citizens, the [word indistinct] choice that we will have to make on 10 July has forced me to appeal to you, to your intelligence, and sensibility. Let us [word indistinct]. Regardless of political sympathies and convictions [words indistinct]. [indistinct passage]

Presidents [word indistinct] come and go [words indistinct] but the nation will stay [word indistinct] will be the master in his house. I hope that the second round of the presidential elections will be held in accordance with our laws and with adopted norms. [indistinct passage]

Foreign Observers Monitor Presidential Election

LD1007093294 Moscow ITAR-TASS World Service in Russian 0850 GMT 10 Jul 94

[Report by BELINFORM correspondent for TASS]

[Text] Minsk, 10 Jul—Foreign observers who have arrived in Belarus to monitor the second round of the voting for the presidential candidates are covering today all the regions of Belarus. Representatives from the United States have by far the longest route. They are visiting polling stations in all the oblasts and in the Republic's capital. Russia's monitors will assess how democratically the elections are being held by visiting polling stations in Brest oblast, and observers from Great Britain will be in Vitebsk oblast. Observers from Poland, Moldova, Turkey, and Romania have also arrived to monitor the election.

The press group of Alyaksandr Lukashenka, one of the two candidates running for the presidency, revealed today that 20,000 observers from his team have been sent today to polling stations to monitor the legality of the organisation and procedure of summing up the results of the election. This means that no less than two representatives from his team will be present at every polling station.

Alyaksandr Lukashenka has gone to vote in his home rayon center of Shklov in Mogilev oblast.

Pavlov: U.S. 'Taking Advantage' of Partnership for Peace

LD0807173994 Moscow INTERFAX in English 1446 GMT 8 Jul 94

[From the "Diplomatic Panorama" feature]

[Text] Chief Valeriy Pavlov of the Belarussian Security Agency told Interfax that the United States was taking advantage of the Partnership for Peace program.

Nonetheless, Minsk felt the decision to hold U.S.-Polish exercises in the context of that program and on Polish territory presented no threat to Belarus. The decision to hold the exercises was made in Warsaw by Presidents Clinton and Walesa.

General Pavlov saw the exercises as a serious step toward Polish entry into the North Atlantic Alliance. NATO's interest in territories bordering on the Commonwealth of Independent States was self-evident, he said.

Economic Council Approves Anticrisis Program

LD0807195394 Moscow ITAR-TASS in English 1755 GMT 8 Jul 94

[Report by BELINFORM correspondent Tereza Khayutina for TASS]

[Text] Minsk 8 July TASS—A draft anti-crisis program has been approved by the Economic Council under the Belarussian parliament speaker to include seven sections, among them social security, employment regulation, the development of market relations, the regulating role of the state, the tax-budget, credit-monetary and price policies.

"The living standards have been dropping as a result of unfavorable economic developments. The cost of live in May 1994 increased by approximately 150 times as compared to 1992 [sentence as received]. Stratification of the population is underway. The revenues of 10 per cent of the richest population layers exceeded the income of 10 per cent of the poorest ones by over six times in the first quarter. The state should radically change the principles of its presence in the economy," believes chief program author and Chairman of the Economic Council Vladimir Shimov.

The program will help change business conditions, adopt laws on control over state property and immediately suspend the issuance of privatization vouchers.

The document will be improved within ten days and submitted to corresponding bodies.

Moldova

Parliament Approves Procedure for Adopting Constitution

LD0807145094 Moscow Radio Rossii Network in Russian 1300 GMT 8 Jul 94

[Text] The Moldavian [Moldovan] parliament has approved a procedure for adopting a new constitution. It will be adopted article by article and by a simple majority. Only the final vote on the text of the main law will, on the whole, require the approval of two-thirds of the deputies. Some deputies of the Moldavian parliament note that such a procedure opens up the way for adopting documents that are insufficiently well thought through.

Incidentally, there is no accord among the deputies of the upper legislative body of Moldavia. The factions of peasants and intelligentsia refused to take part in the vote on the procedure for adopting a constitution. Thus, only 55 out of 104 deputies voted in favor of the procedure, RIA reports.

Constitution Passed With No Votes Against

AU0807152994 Bucharest Radio Romania Network in Romanian 1300 GMT 8 Jul 94

[Eugen Cojocariu dispatch from Chisinau]

[Text] During today's joint session, the Parliament of the Republic of Moldova passed, in the first reading, the draft constitution of that state. A total of 95 deputies voted in favor of the new constitution. No votes against it were registered.

The preamble points out that the constitution sets forth from the Declaration of Independence of the Republic of Moldova and reflects the millennia-old history of the nation and its uninterrupted statehood in the historic and ethnic context of its national evolution.

I quote from the Constitution passed in the first reading today in Chisinau: Moldova is a sovereign, independent, unitary, and indivisible state. The state's form of government is the republic. The Republic of Moldova is a law-governed and democratic state in which human dignity, human rights and liberties, the free development of human personality, justice, and political pluralism represent supreme values, which are guaranteed. No ideology may be instituted as the official ideology of the state. In the Republic of Moldova the legislative, executive, and juridical authorities are separated and they exercise their prerogatives as stipulated by Constitution. The basis of the state is the unity of the people of the Republic of Moldova. Moldova is the common and indivisible homeland of all its citizens. The state acknowledges and guarantees the right of all citizens to preserve, develop, and express their ethnic, cultural, linguistic, and religious identity. The Republic of Moldova proclaims its permanent neutrality. The coat of arms and anthem of the Republic of Moldova are established by organic laws.

In the first reading they sanctioned three variations of the article regulating the official language of the state and the use of other languages. According to the first variation, the official language of the Republic of Moldova is the Moldovan language and, between brackets, the Romanian language. According to the second variant, the official language of the Republic of Moldova is the Moldovan language, identical to the Romanian language. In the third variation the official language of the Republic of Moldova is the Moldovan language.

Finally, the death sentence, as an exception until its full abrogation, may be carried out as stipulated by law solely on the basis of a court sentence.

Romanian Arrested for Planning Terrorism

AU0907164294 Chisinau BASAPRESS in English 2227 GMT 7 Jul 94

[Text] Tiraspol BASAPRESS, 7/7/1994—The Tiraspol broadcasting station reported today that a 18-year-old Romanian citizen, Nicolae Haraga, from Sibiu County, was placed under arrest. While interrogated by the employees of the Security Ministry of the self-proclaimed Dniester Republic, he declared that he arrived in Tiraspol on a reconnaissance mission to prepare and commit terrorist acts against Tiraspol authorities. This interrogation was broadcast entirely on the Tiraspol television station. Haraga also mentioned that he belongs to the so-called Angel [Angels of Death] terrorist group comprising former volunteers who participated in the Dniester armed conflict in the summer of 1992. Haraga declared that the so-called Angel group consists of the Christian-Democratic Popular Front of Moldova's [FPCDM] followers. In accordance with the decree of Tiraspol leader Igor Smirnov on the introduction of the emergency state on the territory of the self-proclaimed Dniester Republic, Haraga will be subjected to administrative arrest for 30 days.

PSDM Accuses 'Current Regime' of 'Corruption'

AU0707122294 Chisinau BASAPRESS in English 2300 GMT 5 Jul 94

[Text] Chisinau BASAPRESS, 5/7/1994—The current regime is incapable of avoiding the total pauperization of its citizens, most of whom feel cheated because of their favoring the ruling party during the February, 1994 elections, says a declaration by the Social-Democrat Party of Moldova (PSDM), published by the CURIERUL DE SEARA (EVENING COURIER). The heads of PSDM blame the present situation on the current governors who are guilty of "robbing of the country's wealth," of "corruption in the top echelons of power," of taking trips" for rest and treatment "at the state's expense," of "pompous parties in the Chisinau's hotels." The quoted source claims that all this happens while the population fails to receive salaries, stipends and pensions for many consecutive months, cannot support "the excessive increase of prices for foodstuffs and other basic products, for natural gas and electricity." The PSDM also disagrees with the clean-up in the state apparatus promoted by the ruling alliance; the people removed from their posts were "those who were not inclined to support the PSDM." The trade unions have to put an end to power abuses and protect the interests of the working class and correct the economic policies of the state by their well-renowned methods, shows the PSDM's declaration.

State Budget Deficit Reportedly Larger Than Expected

AU0907164494 Chisinau BASAPRESS in English 2227 GMT 7 Jul 94

[Text] Chisinau BASAPRESS, 7/7/1994—The serious financial situation faced by companies creates great difficulties for the Finance Ministry in carrying out the 1994 budget as adopted through a presidential decree on 15 December 1993, states the newspaper KOMMERSANT MOLDOVIY

(BUSINESSMAN OF MOLDOVA.) Over January-April 1994 the state budget received 303 million lei from taxes; this is 150 million lei less than the forecast amount; the budget deficit stands at 77 million lei. According to the economy and finance ministries, the budget deficit was covered through a loan of 53 million lei (the limit for 1994 is 60 million lei) from the National Bank loans from international organizations and humanitarian aid. Local administration budgets received 228 million lei in revenue and spent 224 million. In order to pay the salary arrears according to the 1 March 1994 presidential decree, the finance ministry extended the deadline for paying the 22,600,000 lei owed by enterprises to the budget. The amount of 49 million lei owed to Russia was not paid due to insufficient means in the state budget.

Tiraspol Adopts Program for Social, Economic Development

AU0907164194 Chisinau BASAPRESS in English 2227 GMT 7 Jul 94

[Text] Tiraspol BASAPRESS, 7/7/1994—The government of the self-proclaimed Dniester Republic adopted the program for the social-economic development of the region. The program stipulates that the agricultural system based on collective farms will be preserved basically unaltered and only a small part of them will be converted to joint-stock companies. The state's ownership of land is preserved almost intact and the citizens can own only tiny land parcels for individual construction or for miscellaneous activity. The program argues that because of insufficient stable land in the Dniester Republic the state will own all the land.

Kazakhstan

Central Asian Presidents on Almaty Summit

LD0807194794 Almaty Kazakh Radio Network in Russian 1400 GMT 8 Jul 94

[Text] [Announcer] We are offering you a special Kazakh Radio program on the Alma-Ata [Almaty] summit between the presidents of Kazakhstan, Uzbekistan, and Kyrgyzstan where a number of important agreements have been signed.

[Begin Nazarbayev recording] Ladies and gentlemen! We are having a meeting today as a follow up to the agreements that have been reached during our trilateral meetings in Tashkent, Ordabasy, and Cholpon Aty, and are aimed at the joint implementation of reforms resulting in the rise of people's living standards in our fraternal countries. The main result of our meeting is that the single economic space between our countries has become a reality and it brings fruits in economic, political, and other spheres. We have confirmed once again that the agreement on the common economic space is open for joining by other states. We adopted another important decision that means that we are moving ahead in the creation not only of an economic, but also of a defense and cultural space. We have specified a mechanism and structures that will coordinate and control the implementation of these agreements. The practical orientation of these agreements will undoubtedly affect the mutually beneficial cooperation between our countries and give a new impetus to the integration processes, development of economies [word indistinct] of our countries.

At this difficult transitional and critical time all the people of the three countries are experiencing difficulties like the other Commonwealth countries. Therefore, any kind of integration and any kinds of meetings serve the humane and noble task—it helps people of Kazakhstan, Kyrgyzstan, and Uzbekistan to appreciate the fact that we intend to boost the relations between our countries: Since our people have been living together for centuries and have a common fate, history, and language. The Days of Kazakhstan that have been recently held in all the regions of Uzbekistan have proved their usefulness. Opening our customs borders have allowed our people to establish better trade relations and communication. We are being thanked for this and we understand that this was a very good step. Believe me, our meetings and agreements are not an attempt to isolate ourselves, but an appeal to all the Commonwealth members to join their efforts not on paper but in reality, not only by signing the documents but by implementing them.

I want to tell you about the documents that we have signed. First, the heads of state adopted a declaration. Second, they adopted an appeal to the people of Kazakhstan, Kyrgyzstan, and Uzbekistan. Third, they signed a memorandum on cooperation in migration issues. Fourth, the agreement between the Republics of Kazakhstan, Kyrgyzstan, and Uzbekistan on setting up the center of the Asiatic Bank for Cooperation and Development with its authorized fund equaling 9 million U.S. dollars. Fifth, the heads of state agreed to set up the Interstate Council and its bodies.

The three government heads signed an agreement on military and technical cooperation, second, an agreement on informational back up for interstate agreements and contracts in the area of socioeconomic development of the three republics. Thank you for your attention and now the floor is given to Islam Karimov. [end recording]

[Begin Karimov recording] Esteemed representatives of mass media and TV, the things that have been enumerated by Nursultan Abishevich Nazarbayev, are the result of our consistent work. It took us more than one day to achieve them. I just want to add one thing here: This is the logical result of all the earlier meetings and work. The result of what we have managed to reach during our previous meetings. The documents that we signed today, and I want to stress this once again, are the logical continuation and result of what we said earlier, when we adopted for the first time the document on setting up a single economic space. Today, we can see new horizons and stages. We are not only talking about the creation of joint economic standards and space, but also about our readiness for a new stage in cooperation, consultations, and elaboration of joint standards and efforts and preservation of stability in this region. At issue is the creation of structures and consultations. For the first time we are creating such structures, which testify to our intentions. We are talking about the Interstate Council, under which councils of heads of state and prime ministers, councils of foreign ministers and defense ministers, and the Executive Committee will be functioning. This structure will ensure the close interaction in all these directions.

Second, I would like to add the following: The question arises—how are all the documents that we have signed fit into the CIS structure and activities of the three countries within the Commonwealth? I want to say that there is no contradiction here. The tasks that we are undertaking now were specified as Commonwealth tasks at the time it was created; on the creation of an economic union and other CIS structures. You may remember the fact that the structures that we are creating today are identical to all the CIS structures. There is no contradiction here. We are functioning within the CIS framework and once again we want to urge all the CIS countries to turn from words to actions. The fact that agreements have been signed by the three countries does not mean that it is not open for other countries. I want to [word indistinct] it is open for others and all those willing can join it.

To prevent any kind of interpretations I want to say the following on the issue of who and what kinds of integrations are suggested within the CIS framework, I want to say that all of us are in favor of integration. If someone begins telling stories about discrepancies in views between Nazarbayev and Karimov, I want to say that this is completely groundless. I would like to explain this.

All of us are in favor of integration. All of us understand that provided we integrate our economies, we will succeed in lifting our countries's economies out of crisis. We interpret differently and have different kind of approaches to the mechanism of how to achieve these tasks. I want all those present to understand this and not to interpret it differently. I declare this resolutely. We are in favor [word indistinct] but we have different views with regard to the mechanism of achieving it. We do not see any grounds for different kinds of interpretations [word indistinct] of Central Asia, and so on and so forth. Therefore, I consider it important to put an end to these rumors. Enough is enough, we should put an end to any kind of speculations. I mean both foreign countries and near abroad, definitions that are being used by Russia. I am strictly against such definitions. We do not have far and near countries. We are all sovereign countries and this definition is absolutely unacceptable. Therefore, we should put an end to this and never speculate on this issue. The agreements that we signed today are a proof of our common approach to the integration matters. That is all that I wanted to say. [end recording]

[Begin Akayev recording] Esteemed Ladies and Gentlemen! I believe that the documents that have been adopted by heads of state and government set realistic tasks—tasks that could be implemented. They will work for the revival of the economies of our republics and jointly we will manage to boost our economies and improve the lives of our peoples. We will ensure peace and stability in our region by joint action. I just want to add here that I was an active supporter of Nursultan Nazarbayev's idea on the creation of an Euroasian Union. First, because I considered it as the final goal of our Commonwealth. I believed that all the topical and disputable problems within the CIS could have been settled as a part of this program: The program of changing from passive union to the Eurasian Union. I believe that the documents that we signed today could serve as...[pauses] The single economic space could serve as the crystallization center, using the term from physics. The crystallization center for this kind of Euroasian Union, since I believe that this process [word indistinct] with the three countries being located in Europe and Asia. Therefore, I want to congratulate [word indistinct] all the presidents, and first of all Kazakhstan President Nursultan Abishevich, on the beginning of the implementation of his idea on the Eurasian Union.

With regard to the documents that we have signed on integrating our economies and joining our efforts in the preservation of peace, stability, and security in our region, they will bring fruits. I am convinced of this. I do not have any doubts here. All of these tasks are realistic. Thank you for your attention. [end recording]

[Announcer] A news conference was held after these speeches by the presidents. Due to technical reasons we could not record the questions, but I am sure that their essence will become clear from the answers. The first question on the model for transferring from administrative and command systems to the market economy, and on the considerable reduction in gas supplies from Uzbekistan to (?Kyrgyzstan) was answered by Karimov.

[Begin Karimov recording] I want to say that shortly following the model that we chose to change from administrative and command methods of management to market economy [words indistinct]. Its main characteristics are in the first two articles: These are full [word indistinct] of the economy, priority of economy over politics. Economy dictates our politics. I want to stress this once again—the economy is the foundation.

Second, the state is living through painful transitions from one stage to another, it should act as the reformer and it should manage the transitional processes, specify priorities, and defend low income families and conduct an active socio-economic policy. It should create infrastructure, train people, change their approaches and mentality, train staff.

After the break up of the USSR all of us decided that we were absolutely free [words indistinct] led to the situation where political changes run ahead of economic situation and thus discredit the idea of reforms. It leads to the situation [word indistinct] where demagogues are calling for a return to those days. This in my view [word indistinct] the past few years under these conditions have shown that even Russia, even after Yegor Gaydar [words indistinct]. Russia has been forced to agree to the fact that certain forms of state regulation have to be introduced. Thus, when you ask us whether our model for introducing a market is acceptable I want to say that each state chooses its own path. This choice is dictated not only by [word indistinct], mentality and way of life, but a great number of other things. There are no two people in the world who are absolutely alike. You are different from me and I am different from you, no matter how close we are. The same applies to countries. They cannot be absolutely identical. If someone says that somebody's idea is acceptable for the other one—do not believe this, it is ridiculous. A European country differs from Japan and South Korea differs from a third country. I can give plenty examples of this [words indistinct]. I believe that each country has the right to choose what it thinks is best for it. I am proud that we have clear directions and we are following this path. The past two or three years of our life prove that we have chosen the correct path. I am not giving any figures here. The proof of these are stability and support by our people.

With regard to the second issue—there is no free gas anywhere. [Passage indistinct] I want to say that we are ready to help Kyrgyzstan at its times of trial, but we, at the same time, should do the counting. The signing of agreements does not mean we should speculate [words indistinct] and our joint documents will only bring us closer and render each other support. Nursultan Abishevich spoke about the single Asiatic bank. It will handle all issues related to rendering support to each other. [Words indistinct]. [end recording]

[Announcer] The floor was then given to the president of Kyrgyzstan.

[Begin Akayev recording] I want to add something. You know, this morning Nursultan Abishevich said wonderful words: that each state is striving to achieve one goal and all states are building a market economy and introducing market reform mechanism. But also of us doing it depends on [word indistinct] of our peoples and cultures, economies. We are choosing the forms that are acceptable for us. He also voiced a very good idea: that we have to exchange our valuable expertise. He noted, and I would like to repeat this, Uzbekistan has accumulated a valuable and good expertise of state regulation at this transitional time. Kazakhstan has its own advantages as well as Kyrgyzstan. We, in our country, decided to familiarize people with experience of other countries at this transitional time. [end recording]

[Begin Nazarbayev recording] Whenever I speak about integration I raise the issue [words indistinct]. The main thing that we emphasize: We do not have any territorial claims on anyone's countries. We are creating not only the single economic space, but also a defense and political space. That shows the seriousness of our intentions. Our further steps might be in some other directions and result in serious integrations in these areas. Ordinary people can now be sure of their future and this is [words indistinct]. Some time ago [words indistinct] we have eliminated customs barriers. Before, people used to pay customs dues twice: first on the Kazakh part of the border and then on the Uzbek part. By signing the agreement on the Asiatic Bank we state that a serious bank is being created that could attract investments and build facilities for the sake of the region. [Words indistinct] why should we spend billions on the construction of new car plants? Countries can exist without, for example, having their own airplane industry. They simply buy them. [passage indistinct]

This region can fully satisfy their needs in electricity, meat, and other items. This region can meet their own requirements in agricultural machinery. [Words indistinct] Uzbek cotton pickers in exchange for Kazakhstan's agricultural machinery. Why Uzbekistan, which could grow the best cotton in the world, provided the weather favors this, should cultivate grain. Since we are the ones who have [word indistinct] and experts are located in Kazakhstan. These are the benefits that all ordinary people will understand. We should respect each other feelings. The aim of this meeting is people's well being. [end recording]

Adopt Communique, Agreements

LD0907101994 Tashkent NARODNOYE SLOVO in Russian 9 Jul 94 p 1

[Report by UZA special correspondent Amirkum Karim]

[Excerpt] [Passage omitted] The motorcade set off for the residence of the president of Kazakhstan. The heads of the three fraternal countries had private talks there.

At the same time, talks took place between the delegations of Uzbekistan, Kazakhstan, and Kyrgyzstan. The foreign ministers of the three neighboring countries had discussions in the Kazakhstan Foreign Ministry on questions of the implementation of the accords which were reached previously in Tashkent and Bishkek.

Then the talks between the delegations took place with other members of the delegations present. Presidents Islam Karimov, Nursultan Nazarbayev, and Askar Akayev adopted a joint communique on the results of the talks and also a message to the peoples of Uzbekistan, Kazakhstan, and Kyrgyzstan. The joint communique stresses, in particular, that the meeting that took place in a spirit of sincerity and unanimity has made an important contribution to the strengthening and development of the traditional friendship and cooperation between our countries and peoples who are historically linked by common roots. A memorandum on cooperation in the sphere of population migration and an agreement on establishing a Central Asian Bank of Cooperation and Development were also signed. The heads of governments of the three countries signed agreements on military-technical cooperation and on providing information back-up for the interstate agreements and treaties in the sphere of economic and social development of the republics.

The decision to set up an Interstate Council of the three countries and its organs was a major accord reached at the meeting. The sides also agreed to create an Intergovernmental Commission to deepen economic integration. An Executive Committee and Councils of the Ministries of Foreign Affairs and Defense will begin to operate on a permanent basis under the aegis of this commission.

After signing the documents presidents Islam Karimov, Nursultan Nazarbayev, and Askar Akayev at a news conference replied to questions put by journalists.

Nazarbayev on Moving Kazakh Capital City; Eurasian Union

LD1007191194 Moscow NTV in Russian 1700 GMT 10 Jul 94

[Video report by correspondent Aleksandr Poklad]

[Excerpts] [Poklad] This week, on the birthday of Nursultan Nazarbayev, and at his initiative, the Kazakhstan Supreme Council made the decision to transfer the state's capital from Alma-Ata [Almaty] to Akmola. [passage omitted]

[Begin Nazarbayev recording] In Akmola, as the capital, we will be closer to the main transport routes to Russia, which is very important for us. The airport will be open all year round and it is possible to develop the city in any direction. There is a full supply of fuel and drinking

water and everything necessary for human life. So this is more a necessity and looking to the future of our state. [end recording]

[Poklad] So, by the year 2000, the town of Akmola, better known to my generation as Tselinograd, is to become the capital of Kazakhstan. There is no doubt that only a country that is sure of tomorrow can take such a step.

Kazakhstan is consistently moving toward an expansion of regional integration. This was once again confirmed by the meeting of presidents and prime ministers of Uzbekistan, Kyrgyzstan, and Kazakhstan that took place on Friday [8 July] in Alma-Ata. [passage omitted]

It is no coincidence that the politicians of this region, while stating their adherence to the CIS, are looking with ever greater interest at Nazarbayev's idea of creating a Eurasian union.

[Begin Nazarbayev recording] I see the weaknesses of the CIS, but I do not deny that it is a necessity today. I am saying that a Eurasian union be created by developing the CIS. Incidentally, this expression was not thought up by me—read historians, read Gumilev, read other writers, because the former territories of the Soviet Union and Russia itself are a Eurasian area. So no matter what any politician says, today it is necessary to move toward this. Therefore, common sense is present here, a completely deliberate approach. I sent my project to all the heads of state, and so far have received an answer from three of them, including Russian President Boris Yeltsin. [end recording]

[Poklad] Kazakhstan is not only geographically situated between Europe and Asia, but on the political, economic, and cultural planes, it is on the edge of European and Asian civilizations. Evidently it is precisely because of this that there is a tendency toward the unification of the former union, but on the basis of a new Euroasian community.

Deputy Groups Unite, Form Parliamentary Opposition Bloc

LD1107081294 Moscow Mayak Radio Network in Russian 0700 GMT 11 Jul 94

[Text] Divisions continue to take shape in the Kazakh parliament. The latest indication of this is the merger between six deputy factions and left-oriented groups to form an influential coalition called Progress.

According to the new Supreme Council bloc's leader, as quoted in today's media, it intends to pursue a policy of constructive opposition to the country's present legislative and executive authorities, and will seek implementation of the type of market reforms that would guarantee Kazakhstan's rapid escape from its acute economic crisis and a halt to further impoverishment of its people.

Desertion is 'Acute Problem' in Armed Forces

LD0907223494 Moscow Mayak Radio Network in Russian 1600 GMT 9 Jul 94

[Text] Desertion is still an acute problem in the armed forces of Kazakhstan. Over 1,000 soldiers have been convicted over the last one and a half year in the Republic for going absent without leave from military units. The unit commands try to track down the deserters. Over 2,500 fugitives have been detained. There are still about 500 servicemen on the run. To settle this problem, the attorney general of Kazakhstan has proposed that a separate subunit be set up in his department for tracking down deserters. According to him, only trained experts should track down the fugitives and return them to their units.

Kyrgyzstan

Government Approves Antimonopoly Program

LD0907152194 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 8 Jul 94

[Text] Kyrgyz Prime Minister Dzumagulov repeatedly emphasized at the last meeting of the government's presidium that we should not aggravate mistakes, but should correct them immediately. Under discussion at the meeting was the program for demonopolization of the economy, and the support and development of small and medium scale businesses in our republic. The document is aimed at expanding the sphere of small and medium scale businesses and creating a competitive environment. This cannot be achieved unless you eliminate monopoly in production. [Passage indistinct] rules of the market and intervene with the interaction between entrepreneurs and the state. The newly founded joint stock companies like, let us say, transport companies in Bishkek are not better than such monopolies as power engineering.

[Passage indistinct] aimed at deepening economic reforms in 1994-1995 and to give anti-monopoly characteristics to reforms, our highest executive body has approved the demonopolization program and also a regulation on [passage indistinct]. In a nutshell, we hail dwarfs and say no to giants. [passage indistinct]

Government To Raise Gas, Water, Electricity Prices

LD1007170194 Bishkek Kyrgyz Radio First Program Network in Russian 2300 GMT 9 Jul 94

[Text] We are wasting gas, water, and electricity. Our consumption of all these items is higher than in the highly-developed countries. The prices for these services impede market reforms. The government has only one option—that is to raise prices for these services. But prior to this we should [word indistinct] and specify the size of targeted support for low-income and large families, said Prime Minister Abbas Dzhumagulov to the

government presidium during the examination of a draft resolution on reforms in pricing policy. The prime minister emphasized that in 1 and a half years wages should be increased by approximately a factor of four. (Housing bills) might be increased to 300-400 soms a month. We cannot say that people would be pleased with this. But as one of the participants of the meeting noted, we have to bring citizens of rural and urban areas to the same level. We do not think it is fair that farmers are forced to buy coal for heating their homes for 500-600 soms a tonne, while those who are living in cities get it practically for free. The market forces us to take into account demand and supply. It is not yet possible to put this mechanism into full effect, since prices have not yet become the arbitrate in economic managing and improving the economic mechanism. [Word indistinct] will be painful but other countries have already passed this stage.

Under market conditions the citizens of, let us say Europe, try not to waste a drop of water, even when they brush their teeth. We will still have to overcome these difficult stages and learn how not to waste. This means that starting next year we will eliminate all allowances related to prices and tariffs for providing services that are given at the expense of economic activity and budget spending. In other words, starting from 1 January 1996 [as heard], prices for heating, gas, light, sewage and other kinds of services will be freed. They will depend on supply and demand. A government commission for pricing policy is being created so as to implement this decision step by step.

German Delegation Arrives in Bishek for Talks

LD0907164794 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 8 Jul 94

[Excerpt] Under examination by German and Kyrgyz Government delegations will be the issue of financial and technical cooperation in the new financial year. The meeting will end 15 July. The German Government delegation arrived in Bishkek on 7 July to prepare for it. The German delegation is led by Mr. Norman Simarou, head of a department of the Federal Ministry for Economic Cooperation. [passage omitted]

Uzbekistan

President Karimov Previews Almaty Summit

LD0807152494 Tashkent Radio Tashkent Network in Uzbek 1000 GMT 8 Jul 94

[Text] A meeting of the state and government leaders of the Republics of Uzbekistan, Kyrgyzstan, and Kazakhstan is being held in Almaty, capital of the Republic of Kazakhstan. This morning our country's leader Islam Karimov left for Almaty to participate in the meeting.

Our reporter Ghafur Jamalov was at Tashkent airport and attended the farewell reception. Here is our report:

[Jamalov] Initially it is necessary to point out that lately the leaders of Central Asian states of Kazakhstan, Kyrgyzstan, and Uzbekistan have been meeting frequently to work towards strengthening blood and fraternal ties and developing mutual cooperation. The current mutually beneficial cooperation is giving positive results. You esteemed radio listeners are well aware of the proposals to form a unified economic mechanism. What important issues will be examined at this Almaty summit? Our country's leader gave this answer:

[Begin Karimov recording] First and foremost to improve economic ties, to (?lift) artificial (?barriers), to bring ordinary people close to each other and to look into their future, and for the peoples to live as one family, this is our first aim.

The second issue is political matters. Some of the negative events around us want to divide us. There are all kinds of near and distant [word indistinct] forces. This has to be stated openly. They don't want the idea of Turkistan to be prevalent among us and they don't wish to see its implementation and they cannot accept this. For this reason we must, first and foremost, jointly support our people.

To reach this goal most political matters must not be rushed. Nothing can be achieved with haste. To reach these goals many of the laws and the laws once adopted by the countries and ourselves ought to be brought closer to each other.

The third issue is that of defense. It is necessary for us to talk about the question of defense. We have borders. The protection and support of the borders and ensuring a peaceful life for our peoples are very important questions. The question of what these meetings has to offer to the ordinary person must be raised and whether the concluded agreements are working or not. We have to talk on these matters.

At this scheduled meeting in Almaty these questions and the tasks facing us will have to be examined once again and certain other steps will have to be taken but it is a matter primarily of signing the agreements. [end recording]

[Jamalov] We also have a report on the progress of the implementation of the agreements signed earlier by the three countries and the signing of agreements in Almaty on further deepening the process of integration and the adoption of important agreements and an agreement on setting up a Central Asian Bank for Cooperation and Reconstruction. It is known that the idea of creating a Eurasian union proposed by certain republic leaders received wide coverage by the media. Is it possible that today's summit will examine this question? Our country's leaders said this:

[Begin Karimov recording] These talks, what are these ? The centers which started these are distant. If necessary we will (?look into this). The view is that these moves are

to be found initially locally. Once they have been established locally, the big brother looking at our interests, looking at our moves will reach a decision.

I personally think that are many factors and aims behind these moves. Creating the old, the former USSR. I recall the saying of Abdullo Aripov, to once again tie a rope round our necks and be taken and tied in a cattle house. I personally think that such things will emerge again but our aim is not this. I personally have given answers to such questions on many occasions. If necessary, I will once again provide an answer to them. Our aim is, first and foremost, for every country and state to be independent. It is necessary for us to strengthen our independence and then we will naturally be getting closer in the economic, spiritual, cultural, and if necessary in other fields, and their will be many possibilities for this.

First, it is necessary for the state to be independent then to form a union, like the European Union. The word union is a good word but here they have different meanings. Because of this I would like this so-called Eurasian union to have a better meaning. It is, therefore, necessary to understand this correctly and no one should be [word indistinct] about this. We are here and we will oppose this.

It is important most of all for us to work toward bringing each other closer, to bring the peoples of the CIS and the peoples of Central Asia, Middle Asia closer to each other so that they will live together and then we will look into other things. [end recording]

[Jamalov] In conclusion the state and government leaders of Kazakhstan, Kyrgyzstan, and Uzbekistan will adopt new documents at the scheduled meeting in the interest of the peoples of the region and will take the necessary steps to implement these.

Says Summit Should Boost CIS Relations

LD0907213294 Moscow ITAR-TASS World Service in Russian 1320 GMT 9 Jul 94

[Report by ITAR-TASS correspondent Vilor Niyazmatov]

[Text] Tashkent, 9 Jul—The meeting in Alma-Ata [Almaty] of the leaders of Kazakhstan, Kirghizia [Kyrgyzstan], and Uzbekistan "is not the isolation of the three Central Asian countries but is an opportunity to give a new impetus to relations between CIS states," Uzbek President Islam Karimov said today. He shared with journalists his views about the meeting that was held in Alma-Ata on 8 July. The meeting adopted decisions contributing to further economic integration of the three countries.

The president noted that traditional meetings between the leaders of Central Asian states "not only help in solving pressing problems, but also make it possible to remove artificial barriers in our relations and to consolidate friendship and cooperation between peoples."

The Uzbek leader said meetings of this kind make it possible "to analyze individual issues connected with the consolidation of economic ties and the formation of a single economic area and help achieve political accord in the fight against certain forces trying to sow the seeds of strife between our peoples."

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